Mukand Ltd.
Regd. Office : Bajaj Bhavan, 3rd Floor
Jamnalal Bajaj Marg
226 Nariman Point, Mumbai, India 400 021
Tel : 91 22 6121 6666 Fax : 91 22 2202 1174
www.mukand.com
Kalwe Works : Thane-Belapur Road
Post office Kalwe, Thane, Maharashtra
India 400 605
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179
CIN : L99999MH1937PLC002726

March 17, 2017

Mr. Sunu Thomas
Corporate Relationship Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400 001
e-mail: Sunu.Thomas@bseindia.com

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 - Submission of reply to queries.

Re: Your observation on website dated March 10, 2017

Security Code: 500460, ISIN No: INE304A01026

Dear Sir,

This is with reference to your aforementioned observation, wherein you have requested us to provide certain information in response to the queries raised and to submit certain documents. Towards the same, please see below our response:

1. **It has been observed that the Company has not submitted Valuation Report and Fairness Opinion for lump-sum cash consideration to be paid for Demerger of the "Alloy steel rolling, heat treatment and finishing business" of Mukand Ltd. and vesting the same into Mukand Vijayanagar Steel Ltd. kindly submit the Valuation Report and Fairness Opinion on consideration to be paid for the said demerger.**

Reply:

1.1 As per As per the draft Scheme of Arrangement and Amalgamation, Alloy Steel Rolling and Finishing Business ("**Transferred Undertaking**") is proposed to be transferred from Mukand Limited ("**Mukand**") to Mukand Vijayanagar Steel Limited ("**MVSL**") through Slump sale for a lump sum consideration of INR 227 Crs. The transfer of the Transferred Undertaking pursuant to the Scheme has been approved by Mukand & MVSL after considering the report dated 12th Jan, 2017 issued by M/s Sanjay & Snehal, Chartered Accountants, certifying the value of assets and liabilities of Transferred Undertaking as on 31st December, 2016. Report from M/s Sanjay & Snehal is attached herewith as **Annexure - 1**.

1.2 The Scheme envisages that the Transferred Undertaking of Mukand is first transferred to MVSL by way of a Slump Sale and immediately thereafter, MVSL amalgamates with Mukand Alloy Steels Private Limited ("**MASPL**"). Accordingly, the Transferred Undertaking ultimately vests in MASPL. In terms of applicable SEBI requirements, the fairness opinion is required for valuation of assets / shares done by the valuer for the listed entity and unlisted company. As such the Fairness Opinion issued to Mukand has been issued with respect to the share entitlement ratio

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recommended in the valuation report of M/s Sharp & Tannan, Chartered Accountants for the proposed amalgamation of MVSL (post Slump Sale and vesting of the Transferred Undertaking in MVSL) into MASPL. For the purposes of the Fairness Opinion, JM Financial Institutional Securities Limited ("**JM Financial**") have in addition to the Valuation Report issued by M/s Sharp & Tannan, Chartered Accountants have also considered the draft Scheme and the financials of Mukand, MVSL and MASPL. JM Financial has in conclusion in their opinion has stated that given that the shareholder of MASPL (Mukand) will remain the same post-merger the share entitlement ratio is fair to Mukand. The Valuation Report of Sharp & Tannan and Fairness Opinion has been submitted with BSE vide our application as Annexure – F and Annexure – H. Further, the same is also attached herewith for your quick reference as **Annexure – 2** and **Annexure - 3.**

1.3 Further, it may kindly be noted that the Audit Committee of Mukand while recommending the Scheme to the Board of Directors of Mukand have considered the draft Scheme along with the Valuation Report issued by M/s Sharp & Tannan, report issued by M/s Sanjay & Snehal, Fairness Opinion issued by JM Financial Institutional Securities Limited have found the Scheme to be in the interest of and fair to all the companies involved, their shareholders and other stakeholders. Report by the Audit Committee of Mukand has been submitted with BSE vide our application as Annexure - G. Further, the same is also attached herewith for your quick reference as **Annexure – 4**.

Hope, the above clarifies the issue and in case you require any additional information, document or details or clarification on any matter in this regard, we will be pleased to provide the same upon hearing from you.

Thanking You,

Yours faithfully,
For **Mukand Limited**,

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

Encl : As stated above.

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Sanjay T. Tupe
B.Com, F.C.A.
Snehal S. Walavalkar
B.Com, A.C.A., DISA.

Sanjay & Snehal
Chartered Accountants
Office No 8 and 9, Golden Heaven Society, Kolbad Road, Khopat, Thane West- 400607
Tel. (O) : 022 2547 3636
E-mail : casns12@gmail.com

January 12, 2017

Mukand Limited
Bajaj Bhawan,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai, Pin Code – 400 021

Kind Attn: **Mr. S B Jhaveri, Chief Financial Officer**

Dear Sir,

Re: Certification of Net Assets Value of alloy steel rolling & finishing business of Mukand Ltd

We, M/s Sanjay & Snehal, Chartered Accountants (**"we"**), have been requested to certify the value of assets and liabilities of alloy steel rolling & finishing business (the **"Undertaking"** or **"Transferred Undertaking"**) of Mukand Limited (**"Mukand"** or **"Company"**) as on 31st December 2016. We are pleased to present herewith our report on the same.

1. Purpose of the Report

1.1. Mukand is contemplating a corporate restructuring which amongst other things includes transfer of Transferred Undertaking of Mukand to Mukand Vijayanagar Steel Ltd (**"MVSL"**) through slump sale on a going concern basis with effect from the appointed date of 1st January, 2017 (**"Slump Sale"**). As on 31st Dec, 2016, MVSL is wholly owned subsidiary of Mukand Ltd.

1.2. Towards the above mentioned Slump Sale, the Management of Mukand is desirous of getting certified the value of assets and liabilities of Transferred Undertaking appearing as on 31st December, 2016.

SANJAY & SNEHAL Reg. No. 118160W MUMBAI CHARTERED ACCOUNTANTS

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

2. Background

2.1. Transferred Undertaking:

"Transferred Undertaking" shall mean the alloy steel rolling & finishing business out of blooms and billets into long round products of Mukand including, amongst other things, three rolling mills (wire rod mill, bar mill and blooming mill) and alloy steel finishing facilities at Dighe, Thane and a plot of 52.8 acres of Land in Karnataka and other current assets & liabilities.

2.2. Further, we understand that the Transferred Undertaking is in operative and working condition. It is fairly well maintained with proper and satisfactory corrective and preventive maintenance practice.

3. Sources of Information

3.1. Mangement certified Balance Sheet of Transferred Undertaking of Mukand as on 31st December , 2016.

3.2. Fixed assets register of Transferred Undertaking of Mukand as on 31st December, 2016.

4. Assets & Liabilities as on 31st December , 2016.

4.1. We have not done any technical assessment of the assets & liabilities as to whether the same are eligible to be included in a particular undertaking or not. We have relied on the details of assets and liabilities provided to us by the management for every undertaking and have only verified them with the Books of Accounts of the Company.

4.2. Our analysis is based on the financial data, documents and information provided to us by the Management of Mukand. Kindly note that the certification of the value of assets and liabilities carried out by us is subject to the accuracy of the information provided by the Management or any other key personnel of Mukand. Any changes in the information, so provided, may have an impact on the value so certified.

4.3. To certify the value of assets & liabilities of Transferred Undertaking of Mukand, we have followed the Net Assets Value Method.

The Net Assets Value of Transferred Undertaking as on Appointed Date on going concern basis is arrived at **INR 227.48 Crs**. For details refer ***Annexure 1***.

4.4. This report is prepared for Mukand and must be used only for the specific engagement and regulatory reporting purposes. This report is not intended for and should not be made available or quoted or referred to or transmitted to anybody else, in whole or in part, for any purpose without our prior written consent.

Thanking You,
Yours faithfully,

For Sanjay & Snehal
Chartered Accountants
Firm Registration No. 118120W

Sanjay T. Tupe
Partner
Membership No. 049623
Date: 12th January, 2017
Place: Mumbai

Encl: a/a

SANJAY & SNEHAL Reg. No. 118169W MUMBAI CHARTERED ACCOUNTANTS

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For MUKAND LIMITED

K. J. MALLYA
Company Secretary

Annexure I

Net Assets Value of Transferred Undertaking as on 31st December 2016

Slump Sale	**Rs crores**
Assets	
Fixed Assets	134.88
Current Assets	1,445.52
Non Current Assets	0.18
Total (A)	**1,580.58**
Less Liabilities:	
Secured & Unsecured loans	1,247.01
Current Liabilities	104.55
Non Current Liabilities	1.54
Total (B)	**1,353.10**
Net Asset Value of transferred Undertaking (A) - (B)	227.48

For Mukand Limited

S B Jhaveri
Chief Financial Officer
Date: 12th January, 2017
Place: Mumbai

SANJAY & SNEHAL
Reg. No. 118160W
MUMBAI
CHARTERED ACCOUNTANTS

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For MUKAND LIMITED

K. J. MALLYA
Company Secretary

SHARP & TANNAN

Chartered Accountants

12th January, 2017

The Board of Directors	The Board of Directors
Mukand Limited. Bajaj Bhawan,3rd floor , Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai- 400021.	**Mukand Vijaynagar Steel Limited** Bajaj Bhawan,3rd floor , Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai- 400021.
The Board of Directors **Mukand Alloy Steels Private Limited** Flat No. 11, 7 West Wing, Shah House, Janki Kutir, Juhu Tara Road, Vile Parle (W) Mumbai - 400049.	

Dear Sir/Madam,

Re: Recommendation of share entitlement ratio for the proposed amalgamation of Mukand Vijaynagar Steel Limited into Mukand Alloy Steel Private Limited

This is with reference to the engagement letter dated 20th December, 2016 and discussions held, wherein we, M/s Sharp & Tannan (referred to as "**Valuer**"or "**we**" or "**us**"), have been given to understand that the Management is contemplating a restructuring through scheme of arrangement and amalgamation amongst Mukand Limited ("**MKL**"), Mukand Vijaynagar Steel Limited ("**MVSL**") and Mukand Alloy Steels Private Limited ("**MASPL**") and their respective shareholders and creditors in terms of sections 230 to 232 of Companies Act, 2013 and other relevant provisions of the Companies Act, 1956 or Companies Act, 2013 as may be applicable ("**Scheme**") which includes slump sale of alloy steel rolling and finishing business into MVSL ("**Slump Sale**") and thereafter amalgamation of MVSL (post Slump Sale) into MASPL ("**Amalgamation**").

Towards the above, we have been requested to recommend a share entitlement ratio ("**Entitlement Ratio**") for the proposed Amalgamation. As per the draft Scheme provided to us, appointed date of the proposed Amalgamation is 1st Jan, 2017 ("**Appointed Date**"). We are pleased to present herewith our report on the same.

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE MUMBAI-20.

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

1. Brief Background & Purpose

1.1 Mukand Limited

1.1.1 MKL is a listed public company incorporated on 29th November, 1937. It is primarily engaged in the manufacturing of specialty steel products, industrial machinery and stainless steel. The major products and services of specialty steel segment includes billets, blooms, rounds wire rods, bars rods and sections, bright bars and wires of special and alloy steel and stainless steel.

1.1.2 Equity shares of MKL are listed on National Stock Exchange of India Limited and BSE Limited.

1.1.3 The issued & paid up equity share capital of MKL as at 30th September 2016 was INR 1410.4 mn divided into 14,14,05,861 equity shares of INR 10/- each (face value).

1.1.4 We have been informed by the management of MKL that there has been no change in the share capital of MKL till the date of this report.

1.2 Mukand Vijaynagar Steel Limited

1.2.1 MVSL is an unlisted public company incorporated on 8th September, 1995. It has been incorporated inter alia for manufacture of alloy steel bars, rods, structurals, rails, etc.

1.2.2 Presently, there are no significant business operations being carried on in MVSL. After the proposed slump sale of Alloy Steel Business of MKL, MVSL's business shall mainly comprise of Alloy Steel Rolling and Finishing Business.

1.2.3 The issued & paid-up equity share capital of MVSL as at 31st December 2016 was INR 7.07 Crs. divided into 70,66,243 equity shares of INR 10/- each (face value). We have been informed by the Management of MVSL that there has been no change in the share capital of the company till date of this report.

1.2.4 The entire equity share capital of MVSL is held by MKL (along with its nominees).

1.2.5 The Management of MVSL represented that MVSL does not have any outstanding warrants /options/convertible securities, as at the valuation date hereof.

1.3 Mukand Alloy Steel Private Limited

1.3.1 MASPL is an unlisted private company incorporated on 15th January, 2015. It has been incorporated to carry out the alloy steel manufacturing activities. Presently, there are no significant business operations being carried on in MASPL.

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K. J. MALLYA
Company Secretary

1.3.2 The issued & paid-up equity share capital of MASPL as at 31st December 2016 was INR 1,00,000 divided into 10,000 equity shares of INR 10/- each (face value). We have been informed by the Management of MASPL that there has been no change in the share capital of the company till date of this report.

1.3.3 The entire equity share capital of MASPL is held by MKL (along with its nominees).

1.3.4 The Management of MASPL represented that MASPL does not have any outstanding warrants /options/convertible securities, as at the valuation date hereof.

2. SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received & relied upon the following sources of information from the Management:

- Draft Scheme of Arrangement and Amalgamation;
- Audited financial statements of MKL, MVSL and MASPL (together referred to as "Companies") for the financial year ended FY 2015-16;
- Financial projections of MVSL from 1st October 2016 to 31st March 2022;
- Financial Statement of MVSL and MASPL as on 30th September 2016;
- Financial Statement of Alloy Steel Running and Finishing business as on 30th September 2016;
- Shareholding pattern of MKL as on 30th September 2016;
- Shareholding pattern MVSL and MASPL as on 31st December 2016;
- Income Tax Return & Tax Audit Annexure of MKL from AY 2016-17;
- Relevant data and information provided to us by the representatives of MVSL and MASPL in written or oral form or in form of soft copy;
- Discussions with the representatives of MVSL and MASPL regarding their past, current & future business projections;
- Information provided by leading database sources, market research reports and other published data;
- Management Representation Letter dated 11th January 2017.

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

3. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS

3.1 This Valuation Report, its contents and the results herein are (i) specific to the purpose mentioned in this report; (ii) specific to the date of this Valuation Report and (iii) are based on the financial statement of the Companies. The Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course between 30th September 2016 and date of this report and that no material adverse change has occurred in their respective operations and financial position between 30th September 2016 and date hereof.

3.2 In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the Companies and (ii) the accuracy of the information that was publicly available, and formed substantial basis for this Valuation Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. In rendering this Valuation Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial information or other information as prepared and provided by the Companies is accurate and complete. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

3.3 Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or mis-statements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Valuation Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

3.4 During the course of work, we have relied upon the financial projections of MVSL provided to us by the Management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The

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For MUKAND LIMITED

K. J. MALLYA
Company Secretary

assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.

3.5 Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness. There is, therefore, no indisputable single entitlement ratio. While we have provided our recommendation of the Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Entitlement Ratio. You acknowledge and agree that you have the final responsibility for the determination of the Entitlement Ratio at which the proposed Amalgamation shall take place and factors other than this Valuation Report will need to be taken into account in determining the Entitlement Ratio; these will include your own assessment of the proposed Amalgamation and may include the input of other professional advisors.

3.6 This report and its contents is prepared for the Companies and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies and it is given on the express undertaking that will not be communicated, in whole or in part, to any third party without prior written consent of the valuer. Neither this report nor its contents may be used for any other purpose other than in connection with this proposed Amalgamation without prior written consent of the Valuer.

3.7 Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the Board of Directors of the Companies and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of the Companies, their management, directors, employees or agents.

3.8 A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us. The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Companies. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.

3.9 This report does not look into business / commercial reasons behind the proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

3.10 This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. In addition, this Valuation Report does not in any manner address the price at which equity shares will trade following approval of the Amalgamation and we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the proposed Amalgamation.

3.11 The fee for this engagement is not contingent upon the results of this report.

4. Valuation Approach

4.1 The Scheme *inter-alia* contemplates the Amalgamation of MVSL with MASPL pursuant to the Scheme under sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 1956 or Companies Act, 2013 as may be applicable. Arriving at the fair equity share entitlement ratio for the proposed Amalgamation and the fair value per share of MASPL would require determining the relative values of each company. These values are to be determined independently but on a relative basis, and without considering the effect of the proposed Amalgamation.

4.2 It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

4.3 The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

4.4 The cut-off date for the valuation exercise has been considered as 30th September, 2016.

4.5 There are three generally accepted approaches to valuation:

a. "Cost" Approach
b. "Market " Approach
c. "Income" Approach

Cost Approach

4.6 The cost approach focuses on the net worth or net assets of a company. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" or where the assets base dominates earnings capability or if it is investment holding company and significant value is derived from its investment holdings.

4.7 The Net Asset Value ("NAV") Method under the Cost Approach considers the Assets and Liabilities, including Intangible Assets and Contingent Liabilities. The Net Assets, after reducing the dues to the Preference Shareholders, if any, represent the equity value of a company.

4.8 In Break-up Value ("BUV") Method, the assets and liabilities are considered at their realizable or restated value including intangible assets and contingent liabilities or liabilities on account of corporate guarantees given by the company, if any, which are not stated in the Balance Sheet. From the realizable value of the assets, the potential liabilities (including the preference share capital, if any, with the amount of surplus due to them), which would have to be paid, would be deducted and the resultant value is the BUV of the business.

Income Approach

4.9 The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

4.10 Under the DCF Method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital (WACC). The WACC based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

4.11 The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

4.12 The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations.

4.13 The Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further adjusted for the borrowings, cash, non-operating assets/liabilities (e.g fair value of investments in subsidiaries/associates/mutual funds, value of surplus assets, any contingent liability, etc.) and preference shareholders liability, if any, to arrive at value to the owners of the business.

Profit Earning Capacity Value ("PECV") Method

4.14 PECV method focuses on the future earning capability of the business enterprise based on the past income generated by the company. The PECV method requires the determination of three parameters, which are relevant to the company whose shares are being valued. These are (i) the "future maintainable profits", (ii) the "appropriate income tax rate" and (iii) the "expected rate of return". The value is determined by capitalizing the future maintainable profits (net of tax) at the Price Earning Multiple of comparable companies.

Market Approach

4.15 Under the Market approach, the valuation is based on the comparable companies trading or transaction multiples of comparable companies. The Market approach generally reflects the investors' perception about the true worth of the company.

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K. J. MALLYA
Company Secretary

Comparable Companies Multiples ("CCM") Method

4.16 The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies.

4.17 This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

4.18 Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

4.19 Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry.

4.20 Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/ EBITDA multiple and EV/ Revenue multiple.

5. Conclusion on Valuation Approach

5.1 We have considered the following methods for valuation of the Companies

5.2 **Cost Approach:**

5.2.1 As represented to us by the management of MASPL, presently, there are no significant business operations being carried on in MASPL. Hence, in the absence of any business operation, the value of MASPL would be reflected in its underlying surplus cash and other assets and liabilities. Accordingly, we have considered the NAV method as the appropriate method to value the equity shares of MASPL in the present case based on the unaudited balance sheet of MASPL as at 30th September 2016. The total value for equity shareholders as arrived under the NAV method is then divided by the total number of equity shares in order to work out the value per equity share.

5.2.2 MVSL on the other hand after the proposed Slump sale of the Alloy Steel Rolling and Finishing Business of MKL, will be engaged in an operating and profitable business where the relative earning power of its business is of more importance compared to its underlying assets and liabilities. Hence, in the present case, we have not considered the NAV method and BUV method to value the equity shares of MVSL.

5.3 **Market Approach:**

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

5.3.1 In the present case, we are valuing the equity shares of MVSL and MASPL, which does not have an independent market price and are only subsidiaries that would be engaged in one of the businesses of MKL. Hence, though the equity shares of MKL are listed, the market price method cannot be applied.

5.3.2 In the absence of any comparable transaction in the recent past in respect of which complete details of the deal structure, etc. are available in public domain, we are unable to apply the CTM method.

5.3.3 In the current case, we have used the CCM method, whereby we have considered profitability based valuation multiple of comparable listed companies with similar business operations for the valuation of MVSL. To arrive at the total value available to the equity shareholders of MVSL, value arrived under CCM method is adjusted for the value of loans, amount payable by MVSL to MKL for the proposed slump sale, non-operating assets/liabilities (e.g value of surplus assets, contingent liability, etc.) if any. The total value for equity shareholders is then divided by the total number of equity shares in order to work out the value per equity share.

5.3.4 In the absence of sufficient comparable companies, we have not used this approach for MASPL.

5.4 **Income Approach:**

5.4.1 We have considered DCF method for the present valuation exercise of MVSL which considers the future earning capabilities for MVSL, as furnished to us by the management of MVSL and MKL. To arrive at the total value available to the equity shareholders, value arrived under DCF method is adjusted for the value of loans, amount payable by MVSL to Mukand Limited for the proposed slump sale, non-operating assets/liabilities (e.g value of surplus assets, contingent liability, etc.) if any. The total value for equity shareholders is then divided by the total number of equity shares in order to work out the value per equity share.

5.4.2 As discussed, in the absence of any current business operations of MASPL, we have not considered the DCF method under Income approach for MASPL.

6. Basis of Valuation

6.1 The share entitlement ratio of equity shares of MVSL and MASPL for the proposed Amalgamation have been arrived on the basis of relative equity valuation for MVSL and MASPL based on the methodology explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

6.2 As per the Scheme, MVSL shall amalgamate with MASPL. Accordingly, MVSL (post Slump Sale) shall transfer its assets and liabilities to MASPL and MASPL shall issue its equity shares to the equity shareholders of MVSL i.e. MKL.

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

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6.3 Upon the Scheme being effective, the existing equity shares of the MVSL held by MKL shall, without any application or deed, stand cancelled without any payment. Further, the shareholding pattern of the MASPL after the issue of equity shares to MKL shall remain same even after the amalgamation i.e. MASPL shall remain wholly-owned subsidiary of Mukand

6.4 Accordingly post the proposed Amalgamation, shareholder of MASPL would be same and hence the proposed Amalgamation is neutral to the shareholders of MKL, MASPL and MVSL, in respect of their shareholding pattern and would not have any economic impact on the value of the shareholders of MKL, MASPL and MVSL.

6.5 Considering all the relevant factors and circumstances as discussed and outlined above, we believe the share entitlement ratio as suggested by the Management, in the event of Amalgamation of MVSL with MASPL, as under is fair:

"3 (three) equity shares of face value of INR 10/- each of MASPL, for every 1 (one) equity share of face value of INR 10/- each held in MVSL."

Thanking You,
Yours faithfully,

For Sharp &Tannan
Chartered Accountants
Firm Registration No. – 109982W

SHARP & TANNAN
CHARTERED ACCOUNTANTS
FIRM'S REGISTRATION No. 109982W
BY THE HAND OF

EDWIN P. AUGUSTINE
PARTNER
MEMBERSHIP No. 043385

Edwin Augustine
(Partner)
Membership No. - 043385
Date: 12th January, 2017
Place: Mumbai

SHARP & TANNAN
CHARTERED ACCOUNTANTS
RAVINDRA ANNEXE, MUMBAI-20.

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

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January 12, 2017

The Board of Directors,
Mukand Limited
Bajaj Bhavan, 226, Jamnalal Bajaj Marg,
Nariman Point, Mumbai - 400021

Subject: Proposed scheme of arrangement between Mukand Limited ("Mukand" or the "Company"), Mukand Vijayanagar Steel Limited ("MVSL"), Mukand Alloy Steels Private Limited ("MASPL") and their respective shareholders & creditors ("Scheme" or "Scheme of Arrangement")

Ladies and Gentlemen:

We refer to the engagement letter dated January 6, 2017 ("**Engagement Letter**") whereby Mukand Limited (the "**Company**") has requested JM Financial Institutional Securities Limited ("**JM Financial**") to provide a fairness opinion to the Board of Directors of the Company on the Share Entitlement Ratio (as defined below) on the Merger (as defined below) recommended in the valuation report dated January 12, 2017 issued by Sharp & Tannan (the "**Valuer**") ("**Valuation Report**") for the proposed Scheme under the provisions of Section 230 to Section 232 of the Companies Act, 2013.

The Scheme envisages following:

I. Slump sale of (i) the alloy steel rolling and finishing business undertaking of the Company together with its business and operations pertaining to rolling and finishing, of alloy steel located at (i) Dighe, Thane, Maharashtra (ii) Ginigera, Koppal, Karnataka, on a going concern basis, and comprising inter alia, all the assets and liabilities which relate to the alloy steel rolling and finishing business ("**Alloy Steel Business**") and hereinafter referred to as the "**Transferred Undertaking**") of the Company to MVSL, on a going concern basis ("**Slump Sale**"); and

II. Thereafter, the amalgamation of MVSL with MASPL ("**Merged Undertakings**") and vesting of the MVSL in MASPL, on a going concern basis, in accordance with Section 2(1B) of the Income Tax Act, 1961 ("**Merger**").

Brief Background

The Company is a public limited company incorporated under the Companies Act, 1956 and is primarily engaged in the business of, inter alia, the manufacture of speciality steel long products and heavy machinery and also manufacture alloy steel and stainless steel bars, rods, structurals, rails,etc.. The equity shares ("**Equity Shares**") of the Company are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). BSE and NSE are together hereinafter referred to as the "**Stock Exchanges**".

MVSL is an unlisted wholly owned subsidiary of the Company, incorporated under the Companies Act, 1956.

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

JM Financial Institutional Securities Limited
(Formerly known as JM Financial Institutional Securities Private Limited)
Corporate Identity Number : U65192MH1995PLC092522
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
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Since both MVSL and MASPL are wholly owned subsidiaries of the Company, there is no change in the economic interest held by the Company in MVSL and MASPL and the Company will continue to retain control of the Merged Undertaking on account of the Merger.
Accordingly post the proposed Merger, the shareholder of MASPL would be same and hence, the proposed Merger is neutral to the shareholders of MASPL and MVSPL, being Mukand.

The Company has appointed the Valuer to determine the share entitlement ratio for issue of shares by MASPL to the shareholder of MVSL pursuant to the Merger. The Valuer has recommended share entitlement ratio of **3** equity shares of MASPL for every **1**equity share held in MVSL for the said Merger ("**Share Entitlement Ratio**").

The Company in terms of the Engagement Letter has requested us to examine the Valuation Report and such other information provided by the Company and issue our independent opinion as to the fairness of the Share Entitlement Ratio for the Merger ("**Fairness Opinion**").

Scope of work of this Fairness Opinion includes commenting only on the fairness of the Share Entitlement Ratio and not on the fairness or economic rationale of the Scheme per se or the valuation methods used by the Valuer.

This Fairness Opinion is subject to the scope, assumptions, exclusions, scope limitations and disclaimers detailed hereinafter. As such the Fairness Opinion is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. The same has been issued as per the requirements of SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have:

1. Perused the Valuation Report and held discussions with the Valuers
2. Perused certain business and financial information relating to the Alloy Steel Business provided to us by the Company;
3. Perused annual reports of the Company, MVSL and MASPL for the financial year ended March 31, 2016;
4. Reviewed the draft Scheme; and
5. Reviewed current shareholding pattern and capital structure of MVSL and MASPL
6. Reviewed other information provided by the Company including information provided through their management representation letter.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was provided or otherwise made available to us by the Company for the purposes of this opinion. We have not conducted any due diligence and express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not reviewed any books and records of the Company other than those provided or made available to us. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties, facilities or assets of the Company and neither express any opinion with respect thereto nor accept any responsibility thereof. We have not made any independent valuation or appraisal of the assets or liabilities of the Company nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports except as provided by the Company, and instead, with your consent, have relied upon information that was provided or otherwise made available to us

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For MUKAND LIMITED
K. J. MALLYA
Company Secretary

by the Company for the purposes of this opinion. We further do not provide any opinion on taxation, legal, actuarial or accounting matters related to the Scheme or otherwise and the Company and the shareholders shall not rely on this opinion for these matters.

We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the proposed Scheme, no changes will be imposed that will have a material adverse effect on the proposed Scheme. We understand that the management of the Company, during our discussion with them has drawn our attention to all such information and matters which may have an impact on our analysis and opinion. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion.

In the ordinary course of business, JM Financial Group (JM Financial Group includes JM Financial and its affiliates) is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial Group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

We express no opinion whatever and make no recommendation at all as to the Company's underlying decision to undertake the Scheme or provide any kind of recommendation to the equity shareholders of the Company as to how they should vote in the resolution of the shareholders for the Scheme. We also do not provide any recommendation to the creditors of the Company with respect to proposed Scheme. We also express no opinion and accordingly accept no responsibility for the impact of the proposed Scheme on the current or future value and / or price of the Equity Shares of the Company. We do not express any opinion on the sufficiency of the methodology applied / procedures employed by the Valuer in determining Share Entitlement Ratio. Shareholders should make their independent assessment of the economic benefits as also the overall Scheme for arriving at their decision.

Conclusion

Based on our examination of the Valuation Report and such other information provided to us by the Company and given that the shareholder of MASPL will remain the same post the Merger and our independent analysis and evaluation of such information and subject to the scope and limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the Share Entitlement Ratio considered for the purpose of the Merger is fair to the Company.

Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of the Company. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party without JM Financial's prior written consent. However, the Company may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to the Company promptly intimating JM Financial in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other

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For MUKAND LIMITED

K.J. MALLYA
Company Secretary

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agreement or documents given to third parties. In no circumstances, will JM Financial or its directors, officers, employees and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For **JM Financial Institutional Securities Limited**

Authorized Signatory

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For MUKAND LIMITED

K. J. MALLYA
Company Secretary

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

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

REPORT ON RECOMMENDATION OF THE AUDIT COMMITTEE OF MUKAND LIMITED ON THE SCHEME OF ARRANGEMENT AND AMALGAMATION AMONGST MUKAND LIMITED, MUKAND VIJAYANAGAR STEEL LIMITED AND MUKAND ALLOY STEELS PRIVATE LIMITED

Members present:

Mr. Dhirajlal S. Mehta – Chairman
Mr. N. C. Sharma – Member
Mr. Prakash V. Mehta – Member

In Attendance:

Mr. K. J. Mallya – Company Secretary

Invitees:

Mr. Niraj Bajaj – Chairman & Managing Director

Mr. Rajesh V. Shah – Co-Chairman & Managing Director (CCMD)

Mr. Suketu V. Shah – Joint Managing Director (JMD),

Mr. Narendra J. Shah – Director,

Mr. Vinod S. Shah – Director,

Mr. Amit Yadav - Director,

Shri S.B. Jhaveri – Chief Financial Officer

Shri U. V. Joshi, Controller of Accounts

1. Preamble and Background

1.1. A draft scheme of arrangement and amalgamation amongst Mukand Limited ("**Mukand**" or "**Company**"), Mukand Vijayanagar Steel Limited ("**MVSL**") and Mukand Alloy Steels Private Limited ("**MASPL**") and their respective shareholders and creditors under Sections 230 to 232 and Section 52 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013, as applicable ("**Scheme**"), was placed before the Audit Committee of the Board of Directors of the Company ("**Audit Committee**"), at their meeting held on 12th January, 2017, for consideration and for providing its recommendation on the Scheme to the Board of Directors of the Company involving the following:

a. Slump sale of alloy steel rolling and finishing business of the Company except for the Residual Undertaking of the Transferor Company as set out in the Scheme ("**Transferred Undertaking**") to MVSL on a going concern basis ("**Slump Sale**");

b. Amalgamation of MVSL (post Slump Sale) with MASPL in accordance with Section 2(1B) of the Income Tax Act, 1961 ("**Amalgamation**").

c. Adjustment of the entire debit balance in the Statement of Profit and Loss as on 31st December, 2016 against the Securities Premium Account.

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The appointed date for Slump Sale and Amalgamation under the Scheme is 1st January 2017 ("**Appointed Date**"). Mukand individually and jointly with other individuals hold 100% equity share capital of MVSL and MASPL as on 31st December, 2016.

1.2. This report of the Audit Committee is made in order to comply with the requirements of SEBI Circular No CIR/CFD/CMD/16/2015 dated 30th November, 2015 issued by the Securities and Exchange Board of India ("**SEBI Circular**").

1.3. Pursuant to and in compliance of the SEBI Circular, the Audit Committee at their meeting held on 12th January, 2017 has examined the following documents, amongst others:

i) Scheme, duly initialed by the Company Secretary of the Company for the purpose of identification;

ii) Certificate dated 12th January, 2017 issued by M/s Sanjay & Snehal, Independent Chartered Accountants, certifying the value of assets and liabilities of Transferred Undertaking as on 31st December, 2016 ("**CA Certificate**")

iii) Valuation report dated 12th January, 2017 issued by M/s Sharp & Tannan, Independent Chartered Accountants, prescribing the Share Entitlement Ratio with respect to the Amalgamation ("**Valuation Report**");

iv) Fairness opinion dated 12th January, 2017 issued by JM Financial Institutional Securities Ltd. (Category I SEBI registered Merchant Banker), providing the fairness opinion on the Share Entitlement Ratio recommended by M/s Sharp & Tannan in their Valuation Report ("**Fairness Opinion**");

v) An undertaking certified by M/s Haribhakti & Co. LLP, Chartered Accountants, statutory auditors of the Company, clearly stating the reasons for non-applicability of Para I(A)(9)(a) of Annexure-I of SEBI Circular. The above is based on the undertaking duly signed by the Company Secretary of the Company;

vi) Certificate from M/s Haribhakti & Co. LLP, Chartered Accountants, statutory auditors of the Company dated 12th January, 2017, in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") read with Para I(A)(5)(a) of Annexure-I of the SEBI Circular confirming that the accounting treatment contained in the Scheme is in compliance with LODR Regulations and circulars issued there under and all the Accounting Standards notified by the Central Government under the Companies Act, 2013 or the Accounting Standards issued by ICAI as applicable and Section 232(3) of the Companies Act 2013;

vii) Certificate dated 12th January, 2017 from a) M/s Lodha & Co, Chartered Accountants, statutory auditors of MVSL and b) Mr. D. K Doshi, Chartered Accountant, statutory auditor of MASPL, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable Accounting Standards specified by the Central Government under section 133 of the Companies Act, 2013 read with the rules framed thereunder and in terms of Section 232(3) of the Companies Act 2013;

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viii) Net worth certificate issued by M/s Sanjay & Snehal, Chartered Accountants, certifying the pre & post Scheme net worth of the Company, MVSL and MASPL.

ix) Certificate dated 12th January, 2017 issued by M/s Sanjay & Snehal, Chartered Accountants, certifying percentage net worth, turnover and profitability of the division being hived off vis-à-vis the other divisions of the Company for the last two years.

x) Audited financial statements of the Company, MVSL and MASPL as on 31st March, 2016, unaudited financial statements of the Company for the quarter ended 30th September, 2016, which have been subject to limited review by the statutory auditors of the Company and audited financial statements of MVSL and MASPL as at 31st December 2016.

1.4. After detailed consideration of the aforesaid documents and discussions on the same, the recommendation arrived at by the Audit Committee is given below in paragraph 4 of this report.

2. Rationale of the Scheme

2.1. The Audit Committee at its meeting held on 12th January, 2017 noted the background and rationale for the said Scheme.

This Scheme of Arrangement and Amalgamation is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the companies, their respective shareholders, lenders and employees. The rationale for the Scheme is set out below:

i. Each of the varied businesses being carried on by Mukand including alloy steel, stainless steel and industrial machinery division has potential for sustainable profitable growth and is also capable of attracting a different set of investors, strategic partners and knowhow providers to scale up the size and operations. Additionally, in order to enable investors to choose the business of their liking and priority of portfolio in the event of such a possibility arising, Mukand proposes to reorganize and segregate its alloy steel rolling & finishing business into a separate company.

ii. Each business vertical gets the requisite management focus and autonomy to pursue the possibilities of expansion and growth. It can be managed more efficiently leading to better returns.

iii. The proposed arrangement would result in greater economies of scale and will provide a larger and stronger base for potential future growth.

iv. The Arrangement and Amalgamation will result in simplification of the corporate structure of the Mukand Group Companies.

v. The Arrangement and Amalgamation will also facilitate in retirement of debt.

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vi. The amalgamated company would be able to better leverage on its large net worth base and have enhanced business potential.

vii. The Arrangement and Amalgamation will bring about simplicity in working, reduction in various statutory and regulatory compliances and related costs, which presently have to be duplicated in different entities, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it will also result in coordinated optimum utilization of resources.

3. Proposed Scheme of Arrangement

The following points were noted by the Audit Committee at its meeting held on 12th January, 2017:

3.1. The Audit Committee reviewed the CA Certificate, Fairness Opinion and the Valuation Report and noted that the CA Certificate and Valuation Report recommended the consideration and share entitlement ratio respectively, as under:

i) **Slump Sale** – A consideration of INR 227 Crs shall be discharged to the Company within 6 months from the effective date of the Scheme or such other date & terms as determined by the Boards of Directors of the concerned companies.

ii) **Amalgamation** – MASPL shall issue its equity shares to the shareholders of MVSL (i.e. the Company), in accordance with a share entitlement ratio of 3:1 ("**Share Entitlement Ratio**"), such that upon this Scheme becoming effective, the Company shall be entitled to receive 3 fully paid up equity share of MASPL of INR 10 each for every 1 fully paid up equity share of INR 10 each held in MVSL.

3.2. Further, the Fairness Opinion confirmed that the Share Entitlement Ratio mentioned in the Valuation Report is fair.

4. Recommendation of the Audit Committee

The Audit Committee, after perusal, deliberation and review of the provisions of the Scheme along with the CA Certificate, Valuation Report, the Fairness Opinion and other documents listed above finds the transactions as listed in the Scheme, along with the Appointed Date given therefore, the arrangements provided therein including the lump sum consideration and Share Entitlement Ratio, to be in the interest of all the Companies involved, their shareholders and other stakeholders and is therefore, also fair and reasonable. Accordingly, the Audit Committee unanimously recommends the Scheme to the Board of Directors for its approval and for a favorable consideration by the Securities and Exchange Board of India, the BSE Limited and National Stock Exchange of India Limited.

For **Mukand Limited**

Place: Mumbai

Date: 12th January, 2017

D S Mehta.

Mr. Dhirajlal S. Mehta
Chairman of the Audit Committee

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