



Sanjay T. Tupe
B.Com, F.C.A.

Snehal S. Walavalkar
B.Com, A.C.A., DISA,

Sanjay & Snehal
Chartered Accountants

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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.

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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. Management 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.

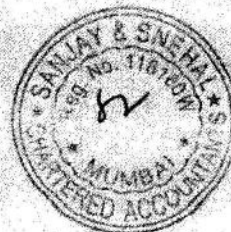
4.2. Our analysis is based on the financial data, documents and information provided to us by the Management of Mukand. Kindly note that the certification of the value of assets and liabilities carried out by us is subject to the accuracy of the information provided by the Management or any other key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

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For MUKAND LIMITED


K. J. MALLYA
Company Secretary



Sanjay & Snehal
Chartered Accountants

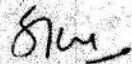
- 4.3. To certify the value of assets & liabilities of Transferred Undertaking of Mukand, we have followed the Net Assets Value Method.

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

~~SECRETED~~

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)	<u>1,580.58</u>
Less Liabilities:	
Secured & Unsecured loans	1,247.01
Current Liabilities	104.55
Non Current Liabilities	1.54
Total (B)	<u>1,353.10</u>
<u>Net Asset Value of transferred Undertaking (A) - (B)</u>	<u>227.48</u>

For Mukand Limited

S B Jhaveri

S B Jhaveri

Chief Financial Officer

Date: 12th January, 2017

Place: Mumbai



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CERTIFICATE

For MUKAND LIMITED

K. J. Mallya

K. J. MALLYA

Company Secretary

