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

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

SEC/SE /AGM-80

28th August, 2018

1.	Department of Corporate Services **BSE Limited,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code : 500460	2.	Listing Department **National Stock Exchange of India Ltd.,** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400051 ISIN CODE : INE304A01026 INE304A04012 NSE Scrip Name : MUKAND LTD.

Dear Sir(s),

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

Pursuant to Regulation 34(1) of the SEBI Listing Regulations, 2015, we submit herewith a soft copy of the Annual Report for the Financial Year 2017-18, including other reports and documents as stated under Regulation 34 (2) and 34(3) of the above referred Regulations.

Kindly acknowledge the receipt and take the same on record.

Yours faithfully,
For Mukand Limited

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

Encl : As above

MUKAND
Infinite resolve

80th ANNUAL REPORT 2017-18

MUKAND
Infinite resolve

BOARD OF DIRECTORS AND THE MANAGEMENT TEAM

BOARD OF DIRECTORS

Niraj Bajaj	Chairman & Managing Director
Rajesh V Shah	Co-Chairman & Managing Director
Dhirajlal S Mehta	
Suketu V Shah	Joint Managing Director
Vinod S Shah (Upto 8th April, 2018)	
Narendra J Shah	
N C Sharma	
Prakash V Mehta	
Amit Yadav	
Bharti R Gandhi	
Pratap V Ashar (w.e.f. 29th May, 2018)	

Auditors

Haribhakti & Co. LLP, Chartered Accountants

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)

Industrial Machinery Division

R Jagannathan	Chief Executive

ANNUAL GENERAL MEETING

Monday, August 13, 2018 at 4:00 p.m. at

Kamalnayan Bajaj Hall, Bajaj Bhawan,
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.

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Notice

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

To

The Members,

NOTICE is hereby given that the **80th ANNUAL GENERAL MEETING** of the Members of **MUKAND LIMITED** will be held on Monday, 13th August, 2018 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, 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 March 31, 2018, together with the Report/s of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Shri Niraj Bajaj (DIN:00028261), 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 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.

4. To fix the remuneration of M/s. Haribhakti & Co, LLP, Chartered Accountants, Statutory Auditors of the Company.

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the members of the Company at the 76th Annual General Meeting held on 13th August 2014, in respect of the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants (firm registration no. 103523W) till the conclusion of the 81st Annual General Meeting, the Board of Directors be and is hereby authorized to fix the remuneration of Statutory Auditors for the financial year 2018-19."

   "RESOLVED FURTHER that the Board of Directors of the Company (including its Committees thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution."

SPECIAL BUSINESS:

5. **Ratification of Cost Auditor's Remuneration**

   To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and as per the recommendation of the Audit Committee of the Board of Directors, the remuneration of Rs 90,000/- and reimbursement of travelling and other out of pocket expenses plus taxes as applicable, to be paid to CMA Sangita Kulkarni, Cost Accountant (Firm Registration No. 102365) for conducting the audit of cost records of the Steel Plants at Kalwe and Hospet and Engineering Contracts and Industrial Machinery Division at Kalwe for the financial year ending March 31, 2019, as approved by the Board of Directors of the Company, be and is hereby ratified."

   "RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matter and things as may be necessary to give effect to this resolution."

6. **Approval of Material Related Party Transactions**

   To consider and, if thought fit, to pass, 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, approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to ratify/ approve all existing contracts / arrangements/ agreements entered into/ to be entered by the Company with Mukand Sumi Metal Processing Limited ("MSMPL") & Mukand Sumi Special Steel Limited (MSSSL), subsidiaries and hence related parties 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: 2017-18; having the following details and as detailed in the Explanatory Statement annexed hereto

Description of Contract - Name of Party	Period of Contract	Total cumulative contract value with Related Party (Rs. Crore)
With MSMPL: 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 01, 2018 to March 31, 2019	355.00

Description of Contract - Name of Party	Period of Contract	Total cumulative contract value with Related Party (Rs. Crore)
With MSSSL: 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 01, 2018 to March 31, 2019	2022.00

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

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

7. Fees for service of documents(s) to members

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013, and relevant rules prescribed thereunder (including any amendment, statutory modification(s) or re-enactment thereof for the time being in force), the Company may, upon receipt of a request from a member for delivery of any document through a particular mode, levy an amount, approximate of the actual expense as may be incurred by the Company, by way of fees for sending the document in the particular desired mode, provided such request along with the requisite fees has been duly received by the Company at least one week in advance of the dispatch of the document(s) by the Company."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, Key Managerial Personnel of the Company as defined under section 2(51) of the Companies Act, 2013 be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, desirable or expedient to give effect to the abovementioned resolution, including determination of estimated fees for delivery of the document to be paid by the member in advance."

8. **Issue of Redeemable Non-convertible Debentures on private placement basis**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and the SEBI (Issue and Listing of Debt Securities)Regulations, 2008, including any statutory modification(s) or re-enactment thereof, for the time being in force, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to offer or invite subscriptions for secured / unsecured redeemable Non-Convertible Debentures (NCDs), in one or more series / tranches, aggregating up to Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto."

"RESOLVED FURTHER that the Board be and is hereby authroised to delegate all or any of the powers herein conferred to any director(s) and/ or officer(s) of the Company, to give effect to this resolution."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion consider necessary in relation thereto."

9. **Appointment of Shri Pratap V. Ashar (DIN:02436046) as a Director**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification[s] or re-enactment[s] thereof for the time being in force), Shri Pratap V. Ashar (DIN:02436046), who was appointed by the Board of Directors as an Additional Director with effect from 29th May, 2018 and who holds office upto the date of this 80th Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

"RESOLVED FURTHER that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

10. Appointment of Shri Pratap V. Ashar (DIN:02436046) as a Whole-time Director

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V thereto and Rules made thereunder ("the Rules") (including any amendment, statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and/or modifications as may be imposed/stipulated/ suggested by such authorities while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the appointment of Shri Pratap V. Ashar (DIN: 02436046) as Whole-time Director of the Company (designated as "Director & Advisor-Administration") for a period of three years with effect from 29th May, 2018, on the remuneration and upon the terms and conditions set out in the Explanatory Statement relating to this Resolution with liberty and powers to the Board of Directors (which term shall be deemed to include any Committee thereof) to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Shri Pratap V. Ashar within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof."

"RESOLVED FURTHER that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances, etc. within such prescribed ceiling limits and the Agreement between the Company and Shri Pratap V.

Ashar, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Members of the Company in General Meeting."

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN AGGREGATE SHARES NOT MORE THAN 10 PERCENT OF THE TOTAL ISSUED SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL ISSUED SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

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

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

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

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

5. Brief profile of Directors viz. Shri Niraj Bajaj, Shri Rajesh V. Shah and Shri Pratap V. Ashar, as per the requirements of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015) and paragraph 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in " Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting" annexed herewith as Annexure I .

6. Pursuant to the provisions of section 139 of the Companies Act, 2013, the Members at the 76th Annual General Meeting of the Company held on 13th August, 2014 appointed M/s. Haribhakti & Co., LLP, Chartered Accountant (Firm Reg. No 103523W) as statutory auditors of the Company from the conclusion of the 76th Annual General Meeting till the conclusion of 81st Annual General Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

   In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7th May 2018, ratification of auditors' appointment is no longer required. However pursuant to provision of provision of section 142 of the Companies Act, 2013, a proposal is put up for approval of members for authorising the Board of Directors of the Company to fix Auditors remuneration for the year 2018-19. The members are requested to approve the same.

7. Pursuant to the provisions of Section 91 of the Act, , the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 4th August, 2018 to Monday, 13th August, 2018 (both days inclusive).

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

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

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

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

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

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

14. (a) Members who have neither received nor encashed their dividend warrant(s) for any of the financial years from 2010-11 for Equity shares and, upto 2013-14 for 0.01% Cumulative Redeemable Preference Shares(CRPS), 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 2010-11 can be claimed by shareholders by September 2, 2018.

    (b) Pursuant to the Provisions of Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 24th July, 2017 (the date of the last Annual General Meeting) on the website of the Company www.mukand.com and also on the website of the Ministry of Corporate Affairs.

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

    (d) In terms of section 124(5) of the Companies Act, 2013, dividend amount for the year ended 31st March, 2011, remaining unclaimed for a period of seven years shall become due for transfer in September, 2018 to the IEPF established by the Central Government.

    Further, In terms of section 124(6) of the Act, In case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account. Therefore, the members who have not claimed dividends in respect of financial years from 2010-11 onwards are requested to approach the Company/KARVY for claiming the same as early as possible , to avoid transfer of relevant shares to IEPF demat account.

    (e) Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Details of such shares dematerialised and transferred to suspense account with NSDL, pursuant to SEBI LODR 2015 are available on the website of the Company

i.e. www.mukand.com. Till settlement of such claim and as per Para E of Schedule VI of SEBI LODR, 2015, voting rights on such shares shall remain frozen.

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

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

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

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

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

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

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

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

23. The Company has been maintaining, inter alia, the following statutory registers at its registered office which are open for inspection on working days during business hours subject to advance intimation, in terms of the applicable provisions of the Act by members and others as specified below:

    i) Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013. 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 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. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person having right to attend the meeting.

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

25. Route map showing directions to arrive at venue of the meeting is provided in the Annual Report.

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

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

    In terms of the provisions of Section 108 of the 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, 2015 (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 **Monday, 6th August, 2018 (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: 09th August, 2018 (9:00 a.m.)- till 12th August, 2018, (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:

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., Monday, 6th August, 2018** 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 M/s. Anant B. Khamankar & Co., Practising Company Secretary (FCS No. 3198| CP No.1860) as the Scrutiniser to scrutinse 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 meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses, not in the employment of the Company, and shall make available, not later than forty eight hours from the conclusion of the meeting, a Consolidated Scrutiniser's Report of the total votes cast in favour of, or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting.

iii. 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 where the Company's shares are listed. Subject to the receipt of the requisite number of votes, the resolution shall be deemed to be passed at the Annual General Meeting of the Company Scheduled to be held on Monday, 13th August, 2018.

By Order of the Board of Directors
For MUKAND LIMITED

Mumbai
Dated : May 29, 2018

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 29th May, 2018, 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, 2019, on a remuneration of Rs. 90,000/- plus reimbursement of travelling and other out of pocket expenses plus taxes as applicable.

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, 2019.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the Ordinary 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") and Mukand Sumi Special Steel Limited (MSSSL), subsidiary companies and therefore related parties, 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, 2018:-

Sl. No.	Nature of Transaction	FY: 2018-19 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	**260.00**
2.	Job Work Income	**60.00**
3.	Marketing Income	**2.50**
4.	Fees for Services	**0.50**
5.	Rent of Factory / Office	**1.00**
6.	Electricity Charges	**1.00**
	Total Income	**325.00**

Sl. No.	Nature of Transaction	FY: 2018-19 Estimated Annual Value of Contracts & Services [in Rs. crore]
Purchase of Goods & availing of Services by the Company from MSMPL		
1.	Purchase of Scrap	**15.00**
2.	Job Work Charges / Hire Charges	**12.00**
3.	Interest on Advances	**3.00**
	Total Expenditure	**30.00**
	Total Transaction Value	**355.00**

Sl. No.	Nature of Transaction	FY: 2018-19 Estimated Annual Value of Contracts & Services [in Rs. crore]
Sale of Goods & rendering of Services by the Company to MSSSL		
1.	Sale of cast billets, blooms, cogged billets, bars/rounds, hot rolled bars and hot rolled wire rods	**1600**
2.	Job Work Income	**350**
3.	Rent of Factory / Office	**1**
4.	Provision of other services	**1**
	Total Income	**1952**
Purchase of Goods & availing of Services by the Company from MSSSL		
1.	Purchase of Scrap	**35**
2.	Machinery Hire Charges	**30**
3.	Other services	**5**
	Total Expenditure	**70**
	Total Transaction Value	**2022**

The other particulars of above transactions are as under:-

Name of the related party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary Value and Particulars of the contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution:
*Mukand Sumi Metal Processing Limited (MSMPL)	Rajesh V. Shah Co-Chairman & Managing Director	Chairman & Director, MSMPL*	Credit Period of upto 5 days	The transactions are in the ordinary course of business and at Arm's Length basis; A. M. Kulkarni and K . J. Mallya hold 100 shares each in MSMPL jointly with the Company.
	A. M. Kulkarni, Chief Executive Officer, (Steel Plant, Thane)	Director & CEO, MSMPL*		
	K. J. Mallya, Company Secretary	Company Secretary, MSMPL*		
**Mukand Sumi Special Steel Limted (MSSSL)	Rajesh V. Shah Co-Chairman & Managing Director	Chairman & Director	Credit Period of upto 7 days	The transactions are in the ordinary course of business and at Arm's Length basis; A. M. Kulkarni, , Niraj Bajaj, Rajesh V. Shah and K.J. Mallya hold, 10 shares each in MSSSL jointly with the Company
	A. M. Kulkarni, Chief Executive Officer, (Steel Plant, Thane)	Director		

* MSMPL is a subsidiary company of Mukand Ltd. with 60.07% equity shareholding.

** MSSSL is a subsidiary company of Mukand Ltd. with 51.00% 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 Ordinary Resolution at Item No.6 of the Notice for approval of the Members.

Item No. 7 of the Notice

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a Member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Therefore, to enable the Members to avail this facility, consent of the Members is sought for determining the fees to be charged for delivery of document(s) in a particular mode, as mentioned in the resolution.

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

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Item Nos. 8 of the Notice

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, inter alia, under Section 42 of the Companies Act, 2013 deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for Non-Convertible Debentures (NCDs) on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to augment long term resources for financing, inter alia, the ongoing capital expenditure and for general corporate purposes, the Company may offer or invite subscription for secured / unsecured NCDs in one more series or tranches.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 8 of the Notice for issue of secured/unsecured

redeemable NCDs on a private placement basis, from time to time, for a year from the date of passing of this resolution, in one more series or tranches. The NCDS would be issued for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions.

This Resolution enables the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

The Board recommends the Special Resolution at Item No. 8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution.

Item Nos. 9 & 10 of the Notice

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 29th May, 2018, appointed Shri Pratap V. Ashar (DIN02436046) as an Additional Director of the Company with effect from 29th May, 2018, and he holds office up to the date of this 80th Annual General Meeting pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 ("the Act "). At the said Board Meeting, Shri P.V. Ashar was also appointed as Whole-time Director designated as "Director & Advisor –Administration" for a period of three years with effect from 29th May, 2018, subject to approval of the Shareholders at the next General Meeting on the terms as to remuneration as set out herein

The proposed terms and conditions of appointment of Shri Ashar as a Whole-time Director are as under:-

1. **Term of Office: 29th May, 2018 to 28th May, 2021**

   Shri Ashar shall be liable to retire by rotation and his retirement by rotation and re-appointment at the Annual General Meetings of the Company during the tenure of his service shall not be considered as cessation of his office as Whole-time Director of the Company.

2. **Remuneration (subject to Annual Revision):**

   (a) Advisory Fee – Rs. 76,750/- per month

   (b) Perquisites - Rs. 40,000/- per month (including Medical reimbursement, Telephone expenses, vehicle expenses etc. as per the rules of the Company)

   (c) Group Insurance and other benefits -

      i. Medical insurance in accordance with the Scheme applicable to Senior Executives and reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family.

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

      iii. Cost of insurance cover against risk of any financial liability or loss because of any error of judgement as may be approved by the Board of Directors from time to time, Subject to statutory ceiling/s, any other allowance/s, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

3. **Other Perquisites:**

   Encashment of Leave at the end of the tenure.

   The other perquisites mentioned under Part 3 above shall not be considered or included for computation of ceiling on perquisites.

   The annual revision of salary, allowances and perquisites, provided the same is within the limits specified under Schedule V to the Companies Act, 2013, will be subject to the approval of the Board of Directors of the Company.

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

OVERALL REMUNERATION:

The aggregate salary and perquisites, in any financial year shall not exceed the limits prescribed from time to time under sections 196 and 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act as may from time to time being in force.

MINIMUM REMUNERATION:

In the absence or inadequacy of profits in any financial year, Shri P.V. Ashar may be paid aforesaid remuneration by way of salary, perquisites and other allowances as minimum remuneration subject to the limits specified in item A of Section II of Part II of Schedule V to Companies Act, 2013. The perquisites mentioned in para 3 of this statement shall not be included in the computation of the ceiling on minimum remuneration.

In the absence or inadequacy of profits in any financial year, the Company has to pay to the Directors remuneration within the ceiling limit prescribed in Schedule V to the Companies Act, 2013. Therefore, approval of the Shareholders is sought for payment of remuneration to Shri Ashar not exceeding the limits specified in item A of Section II of Part II of Schedule V to Companies Act, 2013 w.e.f. 29th May, 2018 for a period of 3 years.

The Company has received a notice in writing from a Member under the provisions of Section 160 of the Act, along with the requisite deposit, proposing the candidature of Shri Ashar, for the office of Director.

Shri Ashar is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Board considers that the proposed appointment of Shri Ashar, as Whole-time Director, given his vast experience and knowledge in diverse areas, will be in the best interest of the Company.

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, his brief resume is furnished and forms a part of this Notice.

Pursuant to provisions of Section 152 & 196 read with Schedule V to Companies Act, 2013 the approval of the Members is required for the aforesaid appointment.

Accordingly; the Board recommends the Ordinary Resolution at Item No. 9 and Special Resolution at Item No. 10 of the Notice for approval of the Members.

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

I. GENERAL INFORMATION

Nature of industry

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

Commencement of commercial production

Date of commencement of business: 9th February, 1938

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

Financial performance based on given indicators

The financial performance of the Company as reflected by total income, profit, earning per share and dividend recommended for the financial year ended 31st March, 2018 is as under:-

a.	Total Revenue (Rs. in Crore)	3106.65
b.	Profit after tax (Rs. in Crore)	44.06
c.	Earnings per share (in Rs.)	3.12
d.	Rate of Dividend (Equity Share) (in Rs. per share)	Nil

Foreign investments or collaborations	
The Company has invested in 1,000 ordinary shares Stg. Pound (£) 1 each of Mukand International Ltd., a wholly owned subsidiary of the Company, the aggregate equivalent of Rs.50,000/- and in 5 ordinary shares of UAE Dirhams 1,000,000 each of Mukand International FZE, a wholly owned subsidiary of the Company, the aggregate equivalent of Rs. 6,25,24,000/-. The Company has formed joint venture with Sumitomo Corporation, Japan for carrying on the business of cold finished bars and wire through its subsidiary company viz. Mukand Sumi Metal Processing Ltd., and for carrying on alloy steel rolling and finishing business through its subsidiary company viz., Mukand Sumi Special Steel Ltd..	
Information about the appointees	
Background details	Shri Pratap V. Ashar has been in the services of the Company since the year 1959 and retired as General Manager on 31st March, 2013. Thereafter, he was associated with the Company as Advisor - Administration of the Company.
Past remuneration	Rs.13.42 Lakhs p.a. as on 31st March, 2018
Recognition or awards	Nil
Job profile and suitability	Advisor on general administration matters relating to operations of the Company at Kalwe Steel Plant, Hospet Steel Plant and registered office of the Company.
Remuneration proposed	As mentioned above in the Explanatory Statement u/s. 102 of the Companies Act, 2013.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed takes into consideration nature and size of business operations; job responsibility, the qualifications, experience and contribution of appointees to operations of the Company. The proposed remuneration is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Does not have any pecuniary relationship with the Company except for remuneration drawn as a Director and as a shareholder to the extent of his shareholdings in the Company. Shri Ashar is not related to any of the Director of the Company
Other information	
1. Reasons of loss or inadequate profits	Eventhough the Company had inadequate profits and/or incurred losses in earlier years mainly due to external factors viz., unprecedented global meltdown severely affecting the sector and ban on mining of iron ore as per the order of the Hon'ble Suprement Court of India during FY: 2011-12, it has made small profits in last 3 financial years as per the computation prescribed under Section 198 of the Companies Act, 2013(the Act). However, the same may not be adequate to pay remuneration to the Directors (MD/ WTD) within the overall limits laid down under section 197 of the Act.
2. Steps taken or proposed to be taken for improvement	Several steps have been taken to reduce costs by substituting some of the costly inputs and changing some of the process and taking measures to reduce cost of production and achieve higher productivity while maintaining the superior quality standards of the end products. The Company has carried out modification in production processes in recent years to facilitate the use of cheaper raw material substitutes, fuels, improve productivity & reduce operational cost, changes in product mix and logistic costs. Gearing up to meet the current and estimated future demand, the Company along with its Strategic Alliance Partner, over the previous three years, invested Rs 400 crore in modernising the steel making facilities, enhancing backward integration, installing balancing and process equipment all of which will improve productivity of the division. In order to conserve and minimize power costs, 40% of the power requirements are met though renewable sources such as wind energy and waste gases emanating from the Mini blast furnaces.
3. Expected increase in productivity and profits in measurable terms.	In view of the restructuring of its busines involving transfer of alloy steel rolling and finishing business to its subsidiary company during the financial year ended 31st March, 2018 together with improvement in demand for alloy steel products from auto-component industry, the Company expects improvement in productivity and profitability of its operations during the current year. The margins too are expected to show improvement with reduction in operating cost and finance costs.

The draft agreements between the Company and P.V. Ashar are available for inspection at the Registered Office of the Company between 10.00 a.m. and 12.30 p.m. on all working days upto and including the day of the Meeting.

The above may be treated as an abstract of the respective draft agreements between the Company and Shri P.V. Ashar pursuant to Section 190 of the Companies Act, 2013.

Memorandum of Interest

Except Shri Ashar & his relatives, none of the Directors, the Key Managerial Personnel of the Company and their relatives, have any concern or interest, financial or otherwise, in the Resolutions.

By Order of the Board of Directors
For MUKAND LIMITED

Mumbai
Dated : May 29, 2018

K.J. MALLYA
Company Secretary

Annexure - I

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

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

Name of the Director	**Niraj Bajaj**	**Rajesh V. Shah**	**Pratap V. Ashar**
DIN	00028261	00033371	02436046
Date of Birth (Age)	10th October, 1954 (63 years)	1st October, 1951 (66 years)	14th June, 1937 (80 years)
Nationality	Indian	Indian	Indian
Date of appointment on the Board	3rd July, 1989	3rd July, 1989	29th May, 2018
Brief resume (Qualifications, Experience and Expertise)	Niraj Bajaj is a Commerce Graduate from Sydenham College of Commerce and Economics, Mumbai. He acquired his Masters in Business Administration from Harvard Business School, Boston, U.S.A., After doing a short stint at Bajaj Auto Ltd. and Bajaj Electricals Ltd., he has been associated with Mukand Ltd., in various positions and is now the Chairman and Managing Director. He was selected by World Economic Forum, as one of the 'Global Leaders for Tomorrow', in 1993. He was the President of the Indian Merchants' Chamber for the centenary year 2007-08. He was President of the Alloy Steel Producer's Association and Indian Stainless Steel Development Association. He represented India in table tennis for 7 years between 1970-77 and was three-times All-India Table Tennis Champion and ranked India No.1, four times. He is the Recipient of: Arjuna Award, India's highest Sport's honour, Shiv Chhatrapati award, Maharashtra's highest sport's honour and awarded the Maharashtra Gaurav Puraskar. He provides valuable inputs, advice, guidance on matters relating to strategic planning and performance, expansion, diversification, new business decisions in his position as Chairman & Managing Director of the Company subject to the superintendence, control and directions of the Board of Directors of the Company. He has been on the Board of our Company since July 3, 1989.	Rajesh V. Shah, 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. Hejoined the services of the Companyin 1977 as Sales Manager (Rolledproducts) and since then held positionsas Chief Marketing Manager, DeputyChief executive, Chief Executive andExecutive Director. He was appointed Managing Director of the Company on 10th August, 1994, as Vice-Chairman & Managing Director on 22nd May,2007 and as Co-Chairman & Managing Director w.e.f. July 14, 2007.	Pratap V. Ashar, an undergraduate (Commerce) has been in the services of the Company since the year 1959 and at present holds the position of Advisor -Administration of the Company. He was trustee of Mumbai Port Trust and was a Director of Maharashtra Industrial Development Corporation. At present he is actively associated as trustee with various charitable &social trusts /organisations.
Number of Meetings of the Board attended during the year	5 out of 5	5 out of 5	Not Applicable

List of Directorship / Membership / Chairmanship of Committees of other Board	**DIRECTORSHIPS:** **Public Companies** Bajaj Auto Ltd Bajaj Allianz Life Insurance Company Ltd. Bajaj Allianz General Insurance Company Ltd. Mukand Engineers Ltd. Jeewan Ltd. **Private Company** Bajaj Sevashram Pvt. Ltd SanrajNayan Investments Pvt. Ltd. Kamalnayan Investment and Trading Pvt. Ltd. Niraj Holdings Pvt. Ltd. Bachhraj and Company Private Limited Jamnalal Sons Pvt Ltd. Baroda Industries Pvt. Ltd. **Membership/ Chairmanship of Committees:** Jeewan Ltd. : **Chairman :**Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Asset Liability Management Committee.	**DIRECTORSHIPS:** **Public Companies** Mukand Engineers Ltd. Kalyani Mukand Ltd Mukand Sumi Metal Processing Ltd Mukand Sumi Special Steel Ltd Jeewan Ltd **Private Companies** KVS Energy & Sports Pvt. Ltd. Rajpriya Agro Co. Pvt. Ltd. Kulpi Port Holding Pvt. Ltd. Eastern Gateway Terminals Pvt. Ltd. Bengal Port Pvt. Ltd. Anant Jeewan Agro Co Pvt. Ltd Sunnydays Agro company Pvt. Ltd. Amivir Agro Co Pvt. Ltd. Amar Jyoti Agro Co Pvt. Ltd. Jyoti Shah Premises and Investments Pvt. Ltd. Kshitij Holdings and Engineering Pvt. Ltd. Akhil Investments & Trades Pvt. Ltd. Rajvi Engineering and Investments Pvt Ltd **Membership/ Chairmanship of Committees:** **Mukand Engineers Ltd.:** Member: Shareholders Grievance Committee **Jeewan Ltd.:** Member: Audit Committee & Nomination and Remuneration Committee	**DIRECTORSHIP:** **Public Companies** Sidya Investment Ltd. **Private Companies** Amar Jyoti AgroPvt.Ltd AmivirAgro Co Pvt. Ltd. SunnydaysAgro Company Private Ltd. Anant JeewanAgro Co. Pvt. Ltd.
Shareholding in Mukand Ltd. (Equity)	117,86,730	72,00,842	10
Appointment/Re-appointment	Re-appointment on retirement by rotation	Re-appointment on retirement by rotation	Appointment as Whole-time Director liable to retire by rotation
Relationship with other directors, managers and other Key Managerial Personnel of the Company	None	Brother of Suketu V. Shah, Joint Managing Director	None

Directors' Report

1. The Directors present the 80th Annual Report and audited Financial Statements of the Company for the year ended March 31, 2018.

2. **Financial Results:**

Financial Highlights:

Description	2017-18	2016-17
	(₹ in Crores)	
Revenue from operations and other operational Income	**3,106.65**	2,995.19
Profit/(loss)		
Profit/(loss) before tax	**25.64**	74.08
Current Tax / Deferred Tax Credit / (charge) (net)	**18.22**	(62.84)
Profit/(Loss) after Tax	**44.06**	11.24
Other Comprehensive Income (net)	**30.71**	(21.66)
Total Comprehensive Income	**74.77**	(10.42)
Net worth:		
Earnings per Share	**3.12**	0.79

3. **Performance:**

3.1 The total revenue (including other income) during the year was ₹ 3,407.58 crores compared to ₹ 3,171.45 crores in the previous year. The exports during the year were ₹ 222 crores compared to ₹ 151 crores in the previous year, i.e., an increase of 47%. The turnover has improved on account of increase in production of alloy steel and stainless steel during the year. The profit before tax for the year is ₹ 25.64 crores as compared to ₹ 74.08 crores in the previous year. The previous year's figures of revenue and profits are not comparable on account of Ind-AS adjustments. The margins were affected due to increase in input cost which could not be passed on to customers, loss on account of volatility in foreign exchange rates, higher interest cost, etc.

3.2 The Company adopted Indian Accounting Standards (Ind-AS) from April 1, 2017. The figures of previous year are also re-cast / regrouped to be Ind-AS compliant as the transitional date for adoption of Ind-AS for your Company is April 1, 2016. These annual financial statements are the first financial statements of the Company under Ind-AS. Impact of such first-time adoption of Ind-AS as compared to previous GAAP is given in the annexed Financial Statements.

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

4. The Directors do not recommend any dividend for the year in the absence of eligible profit required for distribution in terms of provisions of Section 123 of the Companies Act, 2013 and no amount has been transferred to the Reserves.

5. **Transfer of Alloy Steel Rolling and Finishing Business:**

5.1 As reported in the previous years, the application of Scheme of Arrangement and Amalgamation involving transfer of alloy steel rolling and finishing business of the Company to its wholly owned subsidiary company viz., MukandAlloy Steel Pvt. Ltd. (MASPL) was filed with National Company Law Tribunal (NCLT). The required approvals from Shareholders, Creditors and other competent statutory / regulatory authorities have been received and the Scheme was approved by NCLT (Mumbai Bench) on December 13, 2017.

5.2 After close of the year, Sumitomo Corporation, Japan (SC) as a Joint Venture partner for the Alloy Steel Rolling and Finishing Business (ASRFB) has invested an amount of ₹1,180.99 Crore.

5.3 The amount so received was utilized for payment of debt transferred by your company to MASL and consideration payable to the Company. This will reduce debt of the Company.

5.4 Upon such investment, Company now holds 51% and Sumitomo Corporation 49% in MASL. On infusion of funds by Sumitomo, the name of MASL was changed to Mukand Sumi Special Steel Ltd. (MSSSL).

5.5 Operations under the Joint Venture are expected to provide focused attention to improve efficiency of operations, widening of the marketing network and for expansion to enhance value for the Company and its Stakeholders.

6. **Transfer of Industrial Machinery Division:**

Your Board at its meeting held on March 27, 2017 had considered and approved a Scheme of Arrangement and Amalgamation amongst the Company and its wholly owned Subsidiaries, under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Appointed Date under the Scheme was January 1, 2017. On review of current external business environment, management has decided not to proceed with the implementation of the Scheme at this stage.

7. **Joint Venture:**

7.1 Mukand Sumi Metal Processing Limited (MSMPL) is a Joint Venture with Sumitomo Corporation, Japan to carry on the business of cold finished bright bars and wires. During the year under review, net revenue from operations was ₹ 614.05 Cr. as compared to ₹ 473.57 Cr in the previous year.

7.2 Mukand Sumi Special Steel Limited (MSSSL), formerly known as, Mukand Alloy Steel Ltd. (MASL) is a Joint Venture with SC. During the year under review, the net revenue from operations was ₹ 1985.13Cr. Previous year's figures were only for a part of the year, and therefore not comparable. .

8. **Finance:**

8.1 Share Capital:

The paid-up equity share capital as on March 31, 2018 was ₹ 141.41 Crore.

8.2 **Material Changes & Commitments:**

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this report except for infusion of capital in the Joint Venture Company, Mukand Sumi Special Steel Ltd. (formerly known as Mukand Alloy Steels Ltd.) by Joint Venture Partner, Sumitomo Corporation, Japan.

8.3 **Fixed Deposits:**

The Company is authorised to accept fixed deposits upto 35% of aggregate of the paid-up share capital, free reserves and securities premium account in terms of Companies (Acceptance of Deposits) Rules, 2014 only from its members. Deposits accepted during the year amounted to ₹ 47.80 Cr, re-paid during the year amounted to ₹ 2.29 Cr and matured & unclaimed deposits as at the end of the year were ₹ 0.60 Cr. There has been no default in repayment of deposits or payment of interest thereon during the year. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

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. The Company supports the Schools around the Plant by providing full time teachers. During the year it also supported a Government College by providing benches for students. The Company also ensures regular supply of drinking water to the Ginigera village. During the year it contributed towards procurement of drinking water pipeline and pipe welding works for a length of about 8 KMs. It contributed towards procurement of tricycles for physically challenged persons,. It also sponsored a Sports person for participation in the Vth Asian Beach Games at Vietnam and Cricket tournaments for high school children

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 economically disadvantaged children in Shahapur Taluka of Thane district as part of its CSR programme. The villagers, school authorities, children and parents have acknowledged the Company's and JBGVS's contribution through letters and words over the last 2 years. During the year, the company supported more than 10,000 students studying across 44 schools in Shahapur taluka by providing them with free text books, notebooks, footwear, compass box and sports items. The Company also conducts free math classes during non-school hours for girl students studying in classes 7, 8 and 9 Presently 39 coaching classes across the Taluka are conducted. The Company also provided benches and fans to several schools and built a toilet facility for boys and girls .The Company also started a 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. The guiding principles of spending on these projects are: benefit generations, educate for self-reliance and growth, promote health, encourage for self-help, focused approach, targeted towards needy and sustenance of natural resources. These projects are 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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015).

10.1 Management Discussion and Analysis:

As required under Regulation 34(2) read with Schedule V of SEBI (SEBI LODR 2015), 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 2015. A report on Corporate Governance together with the certificate of the statutory auditors confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI LODR 2015 is included as a part of this report. – **Annexure 2**.

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, five (5) 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, 2018, and of the profit of the Company for the year ended March 31, 2018;

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 on various aspects of business and deliberations held on major developments in legal and regulatory areas particularly on GST and Ind-AS. The website link on this is http://www.mukand.com/images/Familiarisation_Programme.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 in Notes to 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 2015.

During the year 2017-18, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI LODR 2015, all RPTs were placed before Audit Committee for its prior 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:

During the year, no significant and material orders were passed by any of the Regulators or Courts except for approval of Scheme of Arrangement and Amalgamation by NCLT for transfer of Company's Alloy Steel Rolling and Finishing Business Undertaking.

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 Vinod S. Shah, who was Director on your Board passed away on April 8,2018 at the age of 88 . Shri Shah joined the Company in the year 1953 as a young commerce graduate and spent 55 years in the full time service of your Company. After retirement in 2008, he was on your Board as Non-executive Director. He worked closely with two generations of the promoter families. The Board records its sincere appreciation for the exemplary contribution, support and guidance provided by him during his long tenure with the Company.

Shri Niraj Bajaj, Chairman & Managing Director and Shri Rajesh V. Shah, Co-Chairman & Managing Director retire by rotation and are eligible for re-appointment.

Shri Pratap V. Ashar was appointed as an Additional Director and Whole-time Director with effect from 29th May, 2018 for a period of three years. He shall be liable to retire by rotation. In accordance with the requirements of Sections 196,197,203 read with Schedule V to the Companies Act,2013, this appointment and remuneration payable to him are subject to approval of the members at the ensuing General Meeting of Members.

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

During the year, there were no changes in Key Managerial Personnel.

10.15 Performance evaluation of the Board:

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration, Stakeholders' Relationship and Corporate Social Responsibility Committees of the Board. The Independent Directors met separately on 14th February, 2018 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.

10.16 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.

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

The information required under Section 197 (read with Rule 5 of Companies Appointment and Remuneration of Managerial personnel) Rules, 2014 in respect of directors and employees of the Company are furnished in **Annexure-8**.

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

10.18 Safety, Health and Environment:

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

10.19 Prevention of Sexual Harassment at Workplace:

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."

10.20 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 Ind – AS 110 – Consolidated Financial Statements read with other applicable Indian Accounting Standards. 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.

11. Auditors:

11.1 In accordance with the provision of section 139 and Rules made thereunder, M/s. Haribhakti& Co. LLP, Chartered Accountants, Mumbai, (Firm Registration No. 103523W) were appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of 76th Annual General Meeting held on August 13, 2014, till the conclusion of 81st Annual General Meeting to be held in Calendar Year 2019, subject to ratification by the members at each intervening Annual General Meeting. In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7th May 2018, ratification of auditors' appointment is no longer required. However pursuant to provision of provision of section 142 of the Companies Act, 2013, approval of members is sought for authorising the Board of Directors of the Company to fix Auditors remuneration for the year 2018-19.

11.2 The Company has appointed Ms. Sangita Kulkarni as Cost Auditor to carry out the audit of cost records relating to Steel Plants and Industrial Machinery Division of the Company for the Financial Year 2017-18. The Cost Audit Report for the Financial Year 2016-17 was filed with the Ministry of Corporate Affairs on 21st September 2017 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. Secretarial Auditors' Report of F.Y. 2017-18, does not contain any qualification, reservation or adverse remark. Secretarial Auditors' Report is enclosed as **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. Disclosure regarding compliance of Secretarial Standards:

The Company has complied with applicable Secretarial Standard during the year.

14. Acknowledgement:

The Board of Directors thanks the Banks, 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	**Rajesh V. Shah**
Chairman & Managing Director	**Co-Chairman & Managing Director**
DIN: 00028261	DIN: 00033371

Mumbai, May 29, 2018

Management Discussion and Analysis

Annexure to the Directors' Report

Annexure-1

1. Global Economy

1.1 A new dawn is transforming the economic activity around the world as the zeal of this activity has shifted to Asia with India and China in the forefront. According to the World Bank, India's GDP growth rate is expected to be at 7.3 percent in the financial year 2018 while China is expected to be moderate at 6.4 percent in 2018 from 6.8 percent in 2017.

1.2 The Indian growth story continues to be propelled by demand from the domestic market which thrives mainly on strong private consumption and public infrastructure spending. The manufacturing Purchasing Managers' Index and Industrial Production growth remained broadly positive after they temporarily weakened due to reduction in demand for a short period amid uncertainty relating to the implementation of the GST.

2. Steel Industry

2.1 The steel industry that once used to be largely a nationalized industry is now mainly privatized and globalized. The last 15 years have seen tremendous, dynamic fusion and merging of companies in the industry. Thirty years ago, Europe was the world's largest steel producer with 23 per cent of the total world steel production coming from that continent. Today, China has the largest steel production capacities, with the total Asian crude steel production share at more than 50 per cent of the global production.

2.2 The Indian steel industry has seen tremendous growth and today the country is poised to become the 2nd largest crude steel producer in the world as large private and public-sector players strengthen the nation's steel production capacity.

2.3 The Indian steel industry is endowed with availability of high grade iron ore, a vast and rapidly growing domestic market, relatively young work force with competitive labour costs. However, the availability of raw materials at competitive rates, may turn out to be the Achilles heel given that the demand for raw materials such as iron ore will increase several fold in the near future as steel demand and production rises. Currently the steel industry is dependent on imports for the supply of coking coal, steel scrap and many other alloys. Global markets are susceptible to volatility in prices as they are sensitive to so many factors.

2.4 The steel consumption in India is expected to grow on Y-O-Y basis at 5.7 per cent to 92.1 Million Tonnes in 2018. India's per capita consumption of steel grew at a CAGR of 4.75% from 45 kgs. in FY 09 to 65.25 kgs in FY 17. The National Steel Policy 2017 seeks to achieve a per capita steel consumption of 160 kgs.

2.5 Steel consumption is strongly linked with economic growth which results from spending in infrastructure and housing sectors. Economic growth also increases spending on automobiles, white goods, etc which in turn drives steel demand.

3. Automotive Industry

3.1 The automotive industry that was the pride of the West is also now finding itself shifting towards Asia. The automotive industry consists mainly of four segments i.e. passenger vehicles, commercial vehicles, three wheelers and two wheelers. The bulk of the specialty steels produced by the company feeds the automotive and engineering industries. Since the company's products are used mainly in passenger vehicles and two wheelers, we will limit our discussion here to the growth in these two segments.

3.2 In the calendar year 2017, the global automotive industry produced 73.5 million passenger cars. Worldwide, passenger car sales are expected to grow to about 81.6 million units in the year 2018. In the year 2017, 34 percent of the world production at 24.8 million cars, were produced in China. In India, the production of passenger cars in FY 2017-18 stood at 4.01 million.

3.3 Growth in the automotive industry is closely linked to economic growth and rise in income levels. It is also inversely related to fuel prices and interest rates as 85% of the total vehicles are bought on credit. The country's per capita penetration, at around eighteen cars per thousand people, is among the lowest in the world and can be seen as a highly untapped potential market given the growing affluence. Although the sales of passenger vehicles in India grew only at 5% in FY 18 over the previous year, sales of two wheelers witnessed a robust growth of 15% during the same period. Export sales of two wheelers also witnessed a 20% growth in FY 2017-18 over the previous year.

4. The Company – Steel Division

4.1 Your Company is poised to achieve leadership of business, results and people in the coming years.

4.2 The sale of steel products in the year 2017-18 was at ₹ 2,979 crore as against ₹ 2,511 crore in the previous year. Stainless steel accounted for 38% of the total sales.

4.3 Your Company produces alloy steel in its facility in Ginigera, Karnataka using the mini blast furnace route with iron ore as its main input. Alloy steel forms 77% of the total quantity of steel produced by the company. This high end, value added steel, is largely used by the automobile component industry to manufacture critical components such as transmission parts, engine components, steering components, high tensile fasteners, fuel injection systems, bearings, braking systems, suspension systems, etc.

4.4 Mukand produces, stainless steel at its Dighe Plant using the electric arc furnace route and steel scrap as the main input. The stainless steel produced by the Company is used in a variety of applications from engineering to medical. The consumption of stainless steel in India is still very insignificant compared to that in developed countries.

4.5 Concerted focus on product development together with its highly skilled and experienced manpower enabled the Company to manufacture several grades of steel that were hitherto imported by global automobile manufacturers. In the year 2017-18 alone, 20% of the total steel sales emanated from new products mainly as import substitutions.

4.6 The exports of the Steel Division increased by 50%. During the year, the Company exported larger quantities of Blooms/Billets as European markets began to revive.

4.7 The prices of inputs required for the manufacture of alloy and stainless

steel were constantly on the rise, especially from the third quarter of the year. International iron ore prices were much more volatile than the domestic prices of iron ore lumps and fines which are sourced by the Company. Domestic iron ore fines and lumps remained stable until October/November 2017 but rose sharply thereafter.

4.8 Metallurgical coke and coking coal however were volatile throughout the year causing difficulties to alloy steel producers such as your Company.

4.9 Shredded scrap used for the manufacture of stainless steel also rose in the third quarter of 2017 and continues to move up even at the end of March 2018.

4.10 Nickel prices too continued to move up from August 2017 and remained on a high even at the close of March 2018.

4.11 The continuous increase in input prices stressed the margins of the Company although the Company increased its selling prices in two phases to partially absorb the increase in costs.

5. The Company - Industrial Machinery

5.1 The Industrial Machinery division continued its lethargic growth in the year under report due to a continued slowdown in the industrial infrastructure business. Although the division had an order book of ₹ 139 crore at the beginning of the year under report, there was a delay in the delivery as customers delayed their projects due to various reasons. Thus, the net sales stood at ₹ 65.45 crore in the financial year 2017-18 as compared to ₹ 139.38 crore in the previous year.

5.2 However at the end of March 2018, there seems to be some revival in the markets with several expansion plans in the private and public sectors beginning to take shape. Despite excessive capacity available in the country, the Company has an order book of ₹ 183 crore, which includes an export order worth Rs 64 crore.

6. Finance

6.1 Financial Performance

The total revenue, net of excise, during the year was ₹ 3106.65 crore compared to ₹ 2,995.19 crore in the previous year. The exports during the year stood at ₹ 222 crore compared to ₹ 151 crore in the previous year, i.e., an increase of 47%. The rise in turnover of the Company was on account of an increase in production of alloy and stainless steel during the year. However, the segment result was adversely affected in the current year, compared to previous year due to increase in input costs which could not be fully passed on to the customers, Forex loss and other adjustments including accounting as per Ind-AS and restructuring of the Company.

6.2 The demonetization that was implemented in November 2016, negatively affected the demand for automobiles thereby resulting in lower sales of steel for next 12 months. This had a more severe effect as automobile sales generally rise during the festive season from November to January. The new bank notification which permits punitive action for delay in repayment of debt even by a day, negatively affected the production of the company. Implementation of GST too resulted in requirement of higher working capital.

6.3 A new dawn in Mukand however comes with debt reduction resulting from the transfer of debt to the Joint Venture and ₹ 1181 crore received from the Joint Venture as part of the agreement. The debt that was transferred too has been repaid in May 2018.

7. Mukand Sumi Special Steel Ltd. (MSSSL)

7.1 It is often said that a company should even be prepared to shrink significantly if that's what is needed to regroup, redeploy and restart profitable growth.

7.2 In January 2017, Mukand transferred its alloy steel rolling and finishing business to a new company namely Mukand Alloy Steel Limited, from appointed date 1st January 2017, a wholly owned subsidiary of your company to focus further on this growing, highly specialized and defined market. The Company had in the past transferred its Bright Bar business to a Joint Venture.

7.3 In May 2018, Japan's Sumitomo Corporation, a fortune 500 company, subscribed 49% of the equity of Mukand Alloy Steel Ltd which is rechristened as Mukand Sumi Special Steel Ltd. (MSSSL). Mukand Ltd continues to hold 51% equity in this JV company, which is engaged in the business of rolling, finishing and marketing of alloy steel wire rods and bars made from blooms that are manufactured by Mukand Ltd.

7.4 The sales of the alloy steel rolled products, namely bars, wire rods, bright bars and wires were at ₹ 1,985.13 crore in the year ending March 31, 2018.

8. Mukand Sumi Metal Processing Ltd. (MSMPL)

MSMPL, a joint venture between Mukand Ltd and Sumitomo Corporation which was formed in the year 2013, continued the upward run and registered a 30% growth in sales in FY 2017-18.

9. Internal Financial controls

The Company has in place adequate Internal Financial Controls with reference to financial statements and such internal financial controls are operating effectively. Your company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial statements.

10. Human Resources

The Company continued to cultivate a learning mindset among employees with the help of its experienced talent pool to ensure they are ready for the challenges ahead and be well positioned for the future. The Company entered into an amicable wage settlement with the Kalwe Mukand Employees Union (KMEU) for a period of 5 years. It is noteworthy to mention here that the company has maintained 34 years of unbroken record of trouble free operations and good relations with its internal workmen union.

11. Safety and Occupational health

The Company lays emphasis on the Safety and Health of its employees and continuously trains and sensitizes the employees to the possible hazards. The National Safety Week, Environment Day, Employees' Talent Show and Sports week are all celebrated with great enthusiasm and participation from employees. Annual Health Check-up and Eye camps were organized during the year.

12. Social responsibility

12.1 It is believed that companies that perform best over time, build a social purpose into their operations that is as important as their economic purpose. At Mukand, sustainable development has been the focus of most of our efforts. The Company has adopted several means to reduce its carbon footprint. For example, 30% of the power utilized in the Ginigera facility is generated from waste gases. Similarly, the entire fuel oil requirements at the Ginigera Plant have been replaced with energy generated from waste gases. At the Dighe facility, the company has purchased 45% of its power requirement from wind energy producers.

12.2 Water conservation is taken on a war footing at Mukand. The Company reduced leakages by re-laying its water supply pipe network across the

entire factory premises thereby bringing down the consumption. Every employee is sensitized to the various ways in which water consumption can be reduced in everyday lives. To minimize wastage, water supply was also regularized to specific period in a day and by reducing pressure of supply.

12.3 The Company also continues its corporate social activities in Shahapur taluka in the field of education.. Over the last five years, with financial support from Janaki Devi Bajaj Gram Vikas Sanstha, the Company has supported more than 50,000 children studying in classes 8 – 10 by providing them with uniforms, textbooks, notebooks, etc.. Free math classes were also conducted in as many as 21 centres in the taluka to help children cope with their studies. In the year under report, 10 toilet blocks were built across 10 schools in the Taluka and other facilities such as school benches, fans etc. were also provided.

13. Cautionary Statement

Statements in the Boards' Report and the Management Discussion and Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in Government Regulations, Tax Laws, Economic Developments within the country and other factors such as litigation and industrial relations.

On behalf of the Board of Directors,

Niraj Bajaj	**Rajesh V. Shah**
Chairman & Managing Director	**Co-Chairman & Managing Director**

Mumbai, May 29, 2018

Corporate Governance Report

Annexure to the Directors' Report

Annexure-2

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

1. THE BOARD OF DIRECTORS:

1.1 Composition and size of the Board:

The Board has an optimum combination of executive and non-executive directors. As on 31st March, 2018, the Board comprised of 10 (ten) directors, of which 3(three)were Executive Directors and 7 (seven) were Non-Executive Directors, which include 5 (five) Independent Directors (including one woman director). The Company has had no pecuniary relations or transactions with the Non-Executive Directors.

1.2 Board Meetings:

During the year under review, 5 (five) Board Meetings were held on May 24, 2017; July 24, 2017; August 22, 2017, November 16, 2017 and February 14, 2018. The Board was presented with relevant, statutory and necessary information at these meetings. The attendance of each Director at the Board Meetings during the year and at the last Annual General Meeting along with details of number of other public limited companies and committees where he/she is a director and member/chairman respectively as on 31st March, 2018 is tabulated below:

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

* Includes only Audit and Stakeholders' Relationship Committee.

** Vinod S. Shah, Non-Executive Non Independent Director of the Company, expired on - 8th April, 2018.

@ Excludes Directorship in Foreign Companies

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

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

None of the directors is a member of more than ten committees or acting as Chairman of more than five committees across all companies in which he/she is a Director. As per declarations received, none of the directors serves as an independent director in more than seven listed companies. Brief profiles of each of the above Directors is available on the Company's website: www.mukand.com

1.3 Information supplied to the Board

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

1.4 Orderly succession to Board and Senior Management

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

1.5 Review of legal compliance reports

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

1.6 Maximum tenure of independent directors

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

1.7 Formal Letter of Appointment to independent directors

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

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

Shri Niraj Bajaj and Shri Rajesh V. Shah, retire by rotation and are eligible for re-appointment. Brief Resume of the Directors seeking re-appointment at the forthcoming 80th Annual General Meeting in pursuance of regulation 36(3) of the SEBI LODR, 2015 forms part of the notice of the Meeting.

1.9 Familiarisation Programme:

The Company familiarizes not only the Independent Directors but every new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, operations of the Company, etc. They are also informed of the important policies of the Company, including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading in securities by Insiders, etc. The particulars of familiarization programme for Independent Directors can be accessed through the weblink: http://www.mukand.com/wp-content/uploads/2015/08/4.-Familiarization-Programme-for-Independent-Directors.pdf

2. AUDIT COMMITTEE:

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

During the year under review, 4 (Four) meetings of the Audit Committee were held on May 24, 2017; August 22, 2017; November 16, 2017 and February 14, 2018.

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

The Chairman of the Audit Committee was present at the last AGM held on July 24, 2017.

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. K. J. Mallya - Company Secretary acts as Ex-officio Secretary to the Audit Committee.

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

3. NOMINATION AND REMUNERATION COMMITTEE:

Terms of Reference:

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

Performance Evaluation:

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

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

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

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

A. Non-Executive Directors (NEDs)

NEDs shall be paid –

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

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

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

B. Managing Directors & Key Managerial Personnel & Other Employees

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

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

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

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

The Committee at present comprises of Prakash V. Mehta (Chairman), Dhirajlal S. Mehta and N. C. Sharma as members, all of whom are Independent Directors. During the year under review, 2(two) meetings of the Nomination & Remuneration Committee of the Company were held on 24th May, 2017 and 14th February, 2018 and it was attended by all the members of Committee.

The details of remuneration of Niraj Bajaj - Chairman & Managing Director, Rajesh V. Shah - Co-Chairman & Managing Director and Suketu V. Shah - Joint Managing Director for FY 2017-18 are given below:

(Rs. in crore)

Remuneration Package	Niraj Bajaj	Rajesh V. Shah	Suketu V. Shah
Salary and allowances	1.05	0.90	0.85
Contribution to Provident Fund and Other funds	0.11	0.11	0.12
Perquisites	0.07	0.22	0.21
TOTAL	**1.23**	**1.23**	**1.18**

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, 2017; 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, 2018 and the shares in the Company held by them as on March 31, 2018 are as under: -

Sl. No.	Name of the Director	Sitting Fees (Rs.)	Shareholding	
			Equity Shares	0.01% Cumulative Redeemable Preference Shares
1	Dhirajlal S. Mehta	5,50,000	277	69
2	*Vinod S. Shah	3,30,000	6,032	464
3	Narendra J. Shah	1,50,000	99,605	8,245
4	N. C. Sharma	5,30,000	36	-
5	Prakash V. Mehta	5,50,000	-	-
6	Amit Yadav	2,90,000	300	-
7	Bharti R Gandhi	2,20,000	5000	-

*Vinod S. Shah has expired on 8th April, 2018.

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 14th February, 2018.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The Stakeholders Relationship Committee consists of N. C. Sharma (Chairman), Dhirajlal S. Mehta and Amit Yadav all of whom are Independent Directors. The meeting of the Committee was held on May 24, 2018, which was attended by all the committee members. As on March 31, 2018, no request for transfer of shares and for dematerialization/ rematerialisation of shares was pending for approval, K. J. Mallya, Company Secretary is the Compliance Officer.

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

Details of shareholders' complaint received and redressed during F.Y. 2017-18 are as under:-

Opening Balance at the beginning of the year	Received during the year	Resolved during the year	Remain unresolved at the end of the year
NIL	74	74	NIL

5. GENERAL BODY MEETINGS:

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

AGM	Date & Time	Venue
77th	August 12, 2015 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021
78th	August 8, 2016 at 4.00 p.m.	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021
79th	July 24, 2017 at 4:00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020

ii. The details of the Special Resolutions passed in the Annual General Meetings held in the previous three (3) years are given below:

AGM	Date & Time	Description of Special Resolution
77th	August 12, 2015 at 4.00 p.m.	Approval of Material Related Party Transactions
79th	July 24, 2017 at 4:00 p.m.	Increase of Borrowing powers of the Board under section 180(1)(c)

None of the businesses proposed to be transacted in the ensuing annual general meeting require passing a special resolution through postal ballot.

iii. Details of Special Resolution passed through Postal Ballot:

During F.Y. 2017-18, a special resolution was passed through postal ballot to approve the power to make investments, Loans, Guarantees or Securities u/s. 186 of the Act.

Voting Pattern:

Description of resolution	Total No. of Valid votes cast	Votes Assenting the Resolution	% of votes Cast in favour	Votes Dissenting the Resolution	% of Votes Cast against
Power to make investments, Loans, Guarantees or Securities u/s. 186 of the Act	108,983,157	108,982,108	99.9990	1049	0.0010

The results of the aforesaid business transacted through postal ballot were announced on March 01, 2018. M/s. Anant B. Khamankar & Co. (FCS No. 3198) , Practicing Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot / e-voting process in accordance with law and in a fair and transparent manner..

6. DISCLOSURES:

6.1. Related Party Transactions:

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

6.2. Compliance with Regulations:

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

6.3. Risk Management:

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

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

Commodity prices:

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

Foreign Exchange Risk:

The Company's net foreign exchange exposure during the year under review was Rs. 909.91 crore. The Company makes efforts to reduce its imports and increase its exports to bring down the net foreign exchange exposure. The Rupee Dollar rate has been volatile during the year to the extent of 4.16% and depreciated at the end by 0.63% compared to the opening rate. The Company keeps a close watch on the Dollar Rupee movement and the Forward cover transactions are made based on the future risks expectation.

6.5. OTHER DISCLOSURES

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

7. Code Of Conduct:

All directors and senior management personnel have affirmed compliance with the code of conduct for 2017-18 as required under regulation 26(3) of SEBI LODR, 2015. A declaration to this effect signed by the Managing Directors is given in this Annual Report.

8. Code For Prevention Of Insider Trading:

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

9. CEO and CFO Certification:

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

10. Means Of Communication:

The quarterly un-audited and yearly audited financial results are published in English and regional language newspapers. The financial results, shareholding pattern and other corporate communication to stock exchanges are filed in compliance with Regulation 30, 31 and 33 of SEBI LODR, 2015 and are 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 and with BSE through BSE Online Portal. The Management Discussion and Analysis is a part of the Annual Report. All financial and other vital information is promptly communicated to the Stock Exchanges where the Company's shares are listed.

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

11. SHAREHOLDERS' INFORMATION:

11.1 Annual General Meeting:

Date	Monday, August 13, 2018
Time	4:00 p.m.(IST)
Venue	Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai 400021

11.2 Tentative Financial calendar:

Financial Year: April 1, 2018 to March 31, 2019

Consideration of Financial Results

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

11.3 Date of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 4th August, 2018 to Monday, the 13th August, 2018 (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 these Stock Exchanges for the year 2017-18.

11.5 Stock Code:

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

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

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

11.6 Stock Price Data:

Monthly highs and lows of the Company's Equity Share prices on the BSE and NSE in the year 2017-18 are given hereunder:

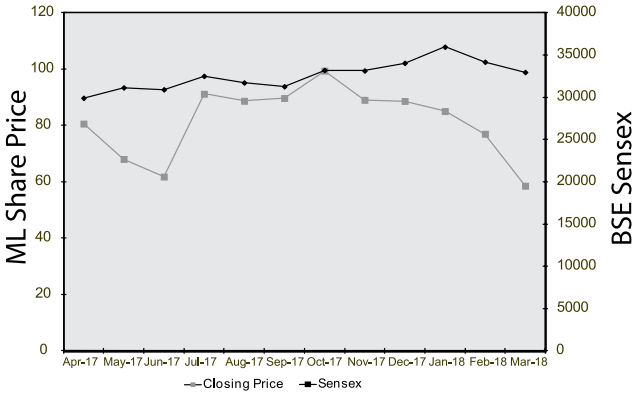
Rs. per share

Months	BSE		NSE	
	High	Low	High	Low
Year 2017				
April	86.25	75.25	86.25	76.05
May	86.25	63.20	86.20	63.00
June	68.80	60.30	69.00	60.35
July	93.70	62.00	93.80	62.00
August	92.00	73.35	91.90	73.00
September	99.75	84.70	99.70	84.60
October	109.00	87.80	109.35	88.00
November	102.00	87.90	101.00	88.20
December	93.15	81.50	94.00	81.45
Year 2018				
January	99.00	84.45	99.00	84.65
February	89.20	73.00	89.65	71.00
March	78.20	58.15	79.50	57.00

During the year, CRPS were traded on BSE at prices which ranged between Rs.4.99 and Rs. 10.3 per share and on NSE at prices which ranged between Rs. 03.10 and Rs.10.40 per share.

11.7 Comparative Stock Price Performance:

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



11.8 Share Transfer Agents:

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

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

11.9 Unclaimed Dividend & Transfer of shares to IEPF:

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly,

the unpaid/unclaimed dividend for the financial year 2009-10 was transferred to the fund in September, 2017.

Further, the Rules also mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, during the year under review, the Company has transferred 3,36,451 equity shares in respect of 5,659 shareholders to the demat account of IEPF Authority held with NSDL. Details of such shareholders whose shares are transferred to IEPF and their unpaid dividends are available on the website of the Company www.mukand.com.

Pursuant to the aforesaid provision, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates, if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years.

Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
2010-11	July 27, 2011	548,093	September 02, 2018

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

11.10 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, 1,43,502 Equity Shares and 35,240 CRPS were transferred in physical (non-dematerialized) form.

11.11 Distribution of Shareholding:

The Company had 41,782 Equity Shareholders and 40,459 CRPS holders as on March 31, 2018. 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	403352	0.29	17955	42.97
51 - 100	679999	0.48	7808	18.69
101 - 500	2850310	2.02	10503	25.14
501 - 1,000	2075021	1.47	2528	6.05
1,001 - 5,000	5247618	3.71	2315	5.54
5,001 - 10,000	2362348	1.67	324	0.78
10,001 and above	127787213	90.37	349	0.84
Total	**141,405,861**	**100.00**	**41,782**	**100.00**

0.01% Cumulative Redeemable Preference Shares (CRPS):

Distribution of Shareholding	No. of CRPS	% of CRPS	No. of CRPS holders	% of CRPS holders
Upto - 50	383847	6.82	36642	90.57
51 - 100	139437	2.48	1806	4.46
101 - 500	340246	6.05	1608	3.97
501 - 1,000	128224	2.28	172	0.43
1,001 - 5,000	355633	6.32	162	0.40
5,001 - 10,000	165627	2.94	23	0.06
10,001 and above	4113306	73.11	46	0.11
Total :	**5626320**	**100.00**	**40459**	**100.00**

The shareholding pattern of Equity Shares as on March 31, 2018 is given in the table as under:

Sl. No.	Category of Shareholders	No. of Shares	% of Total Shareholding
1	Promoter and Promoter Group	103394145	73.12
2	Mutual Funds and UTI	924	0.00
3	Financial Institutions and Banks	135043	0.10
4	Insurance Companies	5345984	3.78
5	Other Bodies Corporate	7721584	5.46
6	Foreign Institutional Investors	5251	0.00
7	Foreign Portfolio Investor	160	0.00
8	Non-Resident Indians/OCBs	781979	0.55
9	Public and Others	24020791	16.99
	Total	**141405861**	**100.00**

The shareholding pattern of 0.01% Cumulative Redeemable Preference Shares (CRPS) as on March 31, 2018 is given in the table as under:

Sl. No.	Category of Shareholders	No. of Shares	% of Total Shareholding
1	Promoter and Promoter Group	1433265	25.47
2	Banks and Financial Institutions	42196	0.75
3	Mutual Fund	481	0.01
4	Non–Resident Indians and Foreign National	16004	0.28
5	Clearing Member	493	0.01
6	Foreign Institutional Investors	7740	0.14
7	Body Corporate	144643	2.57
8	Public and others	3981498	70.77
	Total	**5626320**	**100.00**

11.12 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, 36,673 Equity Shares and 3,975 CRPS were dematerialised in respect of 310 and 172 requests respectively. The dematerialisation level as on March 31, 2018 stood at 99.06% of total paid-up Equity Share capital and 92.66% of the total paid-up 0.01% Cumulative Redeemable Preference Share Capital. As on March 31, 2018, 31,738 Shareholders held 14,00,73,998 Equity Shares and 17,174 Shareholders held 52,13,412 CRPS in demat form

11.13 Plant Locations:

Dighe, Thane, Maharashtra- 400 605.

Ginigera, Karnataka- 583 228.

11.14 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 29, 2018

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To The Members of
Mukand Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated August 02, 2017.

2. We have examined the compliance of conditions of Corporate Governance by Mukand Limited ('the Company'), for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the 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.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2018.

9. 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.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

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

Sumant Sakhardande
Partner
Membership No.: 034828

Place: Mumbai
Date: May 29, 2018

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

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

We, hereby declare that all the Members of the Board and Senior Management Personnel have affirmed compliance with the 'Code of Conduct for Directors and Senior Management Personnel' as laid down by the Company for the year ended March 31, 2018.

	Niraj Bajaj	**Rajesh V. Shah**
Mumbai, May 29, 2018	Chairman & Managing Director	Co-Chairman & Managing Director

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CEO / CFO CERTIFICATION

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

We, the undersigned, certify that :

(A) We have reviewed the Financial Statements and the Cash Flow Statement of MUKAND LIMITED for the financial year ended 31st March, 2018 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 such 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.

	Niraj Bajaj	Rajesh V. Shah	S. B. Jhaveri
Mumbai, May 29, 2018	Chairman & Managing Director	Co–Chairman & Managing Director	Chief Financial Officer

Form No. MGT-9

Mukand Limited

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[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	45.00
2	Manufacture of Stainless Steel bars, rods, structurals, rails	27153	38.09

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 Procesing Ltd.	U27300MH2012PLC234000	Subsidiary	60.07	2(87)
6	Mukand Sumi Special Steel Ltd.	U27310MH2015PLC260936	Subsidiary	100.00	2(87)
7	Mukand Vini Mineral Ltd.	U14200MH2008PLC187216	Associate	49.02	2(6)
8	Stainless India Ltd.	U27107RJ1995PLC010920	Associate	44.09	2(6)
9	Mukand Engineers Ltd.	L45200MH1987PLC042378	Associate	36.11	2(6)
10	Bombay Forgings Ltd.	U28910MH1966PLC013399	Associate	24.00	2(6)

Notes:

1) Pursuant to the order passed by Hon'able National Compamy Law Tribunal, Mumbai Bench (NCLT)dated 13th December, 2017, sanctioning scheme of Arrangement & Amalgmation amongst the Company, Mukand Vijayanagar Steel Ltd (MVSL), Mukand Sumi Special Steel Ltd. (MSSSL) , MVSL merged with MSSSL, hence ceased to be a Subsidiary of the Company w.e. f. 16th January, 2018

2) Mukand Heavy Machiney Pvt Ltd. (formerly known as 'Whiteleaf Heavy Machinery Pvt. Ltd.') ceased to be a subsidiary of the Company during the year under review.

3) Mukand Audyogik Yantra Pvt. Ltd. (formerly known as 'Technosys Industrial Machinery Pvt. Ltd.') ceased to be a subsidiary of the Company during the year under review.

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, 2017)				No. of shares held of the end of the year (31st March, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	34,059,043	-	34,059,043	24.09	34,040,043	-	34,040,043	24.07	-0.01
b. Central Govt.									
c. State Govt.									
d. Bodies Corp.	64,606,115	-	64,606,115	45.69	66,655,166	-	66,655,166	47.14	1.45
e. Bank/FI									
f. Any Other	2,698,836		2,698,836	1.91	2,698,936	-	2,698,936	1.91	0.00
Sub-Total (A)(1)	**101,363,994**	**-**	**101,363,994**	**71.68**	**103,394,145**	**-**	**103,394,145**	**73.12**	**1.44**
2. Foreign									**-**
a. NRI-Individuals									-
b. Other Individuals									-
c. Bodies Corporate									-
d. Banks/FI									-
e. Any Other									-
Sub-Total (A)(2)	**-**	**-**	**-**						**-**
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**10,13,63,994**	**-**	**10,13,63,994**	**71.68**	**10,13,63,994**	**-**	**10,13,63,994**	**71.68**	**-**
B. Public Shareholding									**-**
1. Institutions									**-**
a. Mutual Funds	924	1,001	1,925	0.00	924	-	924	0.00	-0.00
b. Bank/FI	146,801	3,344	150,145	0.11	79,104	3,027	82,131	0.06	-0.05
c. Central Govt.									
d. State Govt(s)									
e. Venture Capital Funds									
f. Insurance Companies	7,244,583	-	7,244,583	5.12	5,345,984	-	5,345,984	3.78	-1.34
g. FIIs	-	30,963	30,963	0.02	5,251	-	5,251	0.00	-0.02
h. Foreign Venture Capital									
i. Others (specify)									
Sub-Total (B)(1)	**7,392,308**	**35,308**	**7,427,616**	**5.25**	**5,431,263**	**3,027**	**5,434,290**	**3.84**	**-1.41**
2. Non-Institutions									**-**
a. Body Corporate									-
i. Indian	10,246,412	442,916	10,689,328	7.56	7,322,573	399,011	7,721,584	5.46	-2.10
ii. Overseas	-	-	-	0.00	-	-	-	0.00	
b. Individuals									-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	8,066,167	935,221	9,001,388	6.37	11,459,954	776,108	12,236,062	8.65	2.29
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	19,668,286	703,299	20,371,585	14.41	9,309,923	150,068	9,459,991	6.69	-7.72
c. Others (specify)									-
i. Clearing members	537,492	-	537,492	0.38	116,918	-	116,918	0.08	-0.30
ii. NRIs	433,806	9,828	443,634	0.31	778,330	3,649	781979.00	1	0.24
iii. Trusts (Employee Welfare Funds)	2,260,152	-	2,260,152	1.60	2,260,892	-	2,260,892	1.60	-
Sub-Total -B-(2)	30,965,903	1,648,348	32,614,251	23.06	31,248,590	1,328,836	32,577,426	23.04	-0.03
Total Public Shareholding (B) = (B)(1) + (B)(2)	**38,358,211**	**1,683,656**	**40,041,867**	**28.32**	**36,679,853**	**1,331,863**	**38,011,716**	**26.88**	**-1.44**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**0.00**		**-**	**-**	**0.00**	
Grand Total (A+B+C)	**139,722,205**	**1,683,656**	**141,405,861**	**100.00**	**140,073,998**	**1,331,863**	**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, 2017)			No. of shares held of the end of the year (31st March, 2018)			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Rahul Bajaj	712,044	0.50	0.00	712,044	0.50	0.00	0.00
2	Niraj Bajaj	11,786,730	8.34	0.00	11,786,730	8.34	0.00	0.00
3	Rajesh V Shah	7,200,842	5.09	3.72	7,200,842	5.09	2.62	0.00
4	Suketu V Shah	1,015,381	0.72	3.16	1,015,381	0.72	0.00	0.00
5	Sanjivnayan Bajaj	1,787	0.00	0.00	1,787	0.00	0.00	0.00
6	Shekhar Bajaj	711,134	0.50	0.00	711,134	0.50	0.00	0.00
7	Madhur Bajaj	717,133	0.51	0.00	717,133	0.51	0.00	0.00
8	Anant Bajaj	86,400	0.06	0.00	86,400	0.06	0.00	0.00
9	Sunaina Kejriwal	1,363	0.00	0.00	1,363	0.00	0.00	0.00
10	Suman Jain	3,744	0.00	0.00	3,744	0.00	0.00	0.00
11	" Anjana Viren Shah (Nee Anjana Munsif)"	30,634	0.02	0.00	11,634	0.01	0.00	-0.01
12	Narendrakumar J Shah	99,605	0.07	0.00	99,605	0.07	0.00	0.00
13	Jyoti Shah	19,768	0.01	0.00	19,768	0.01	0.00	0.00
14	Bansri Rajesh Shah	3,431,542	2.43	2.38	3,431,542	2.43	1.95	0.00
15	Czaee Suketu Shah	4,975,352	3.52	2.48	4,975,352	3.52	3.52	0.00
16	Priyaradhika Rajesh Shah	960,046	0.68	0.68	960,046	0.68	0.34	0.00
17	Kaustubh Rajesh Shah	96,000	0.07	0.07	96,000	0.07	0.03	0.00
18	Rishabh Sukumar Vir	2,017,538	1.43	0.00	2,017,538	1.43	1.29	0.00
19	Minal Bajaj	192,000	0.14	0.00	192,000	0.14	0.00	0.00
20	Neelakantan K. Iyer (A/c Jadavdevi Suketu Trust)	2,671,636	1.89	0.00	2,671,636	1.89	0.00	0.00
21	Niraj Bajaj (A/c Niravnayan Trust)	27,200	0.02	0.00	27,200	0.02	0.00	0.00
22	Bachhraj & Co Pvt Ltd	3,350,692	2.37	0.00	3,350,692	2.37	0.00	0.00
23	Bachhraj Factories Pvt Ltd	1,378,168	0.97	0.00	1,378,168	0.97	0.00	0.00
24	Bajaj Holdings & Investment Ltd	8,113,564	5.74	0.00	8,113,564	5.74	0.00	0.00
25	Bajaj Sevashram Pvt Ltd	2,500,160	1.77	0.00	2,500,160	1.77	0.00	0.00
26	Baroda Industries Pvt Ltd	15,726,616	11.12	0.00	15,726,616	11.12	0.00	0.00
27	Jamnalal Sons Pvt Ltd	26,293,322	18.59	0.00	28,334,773	20.04	0.00	1.44
28	Jeewan Limited	4,785,369	3.38	2.26	4,785,369	3.38	0.00	0.00
29	Mukand Engineers Ltd	1,362,400	0.96	0.48	1,362,400	0.96	0.48	0.00
30	Niraj Holdings Pvt Ltd	8,000	0.01	0.00	8,000	0.01	0.00	0.00
31	Sidya Investments Ltd	160,000	0.11	0.00	160,000	0.11	0.00	0.00
32	Valiant Investments & Trades Pvt Ltd	260	0.00	0.00	260	0.00	0.00	0.00
33	Akhil Investments & Traders Pvt Ltd	260	0.00	0.00	260	0.00	0.00	0.00
34	Kamalnayan Investment & Trading Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
35	Madhur Securities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
36	Rahul Securities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
37	Rupa Equities Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
38	Sanraj Nayan Investments Pvt. Ltd.	3,494	0.00	0.00	3,494	0.00	0.00	0.00
39	Shekhar Holdings Pvt. Ltd.	7,000	0.00	0.00	7,000	0.00	0.00	0.00
40	Isarnan Steel and Minerals Pvt. Ltd.	888810	0.63	0.00	896,310	0.63	0.53	0.01
41	Orement Minerals and Metal Pvt Ltd	0	0.00	0.00	100	0.00	0.00	0.00
42	Rajesh V Shah (A/c Decree Trust)	0	0.00	0.00	100	0.00	0.00	0.00
	TOTAL	**101,363,994**	**71.68**	**15.23**	**103,394,145**	**73.12**	**10.76**	**1.44**

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

Sr. No.	Name	Shareholding at the beginning of the year (1st April, 2017) / at the end of the year (31st March, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the begining of the year (01-04-2017)	101,363,994	71.68		
	Date-wise increase/(decrease)				
1	Isarnan Steel and Minerals Pvt. Ltd.				
	07-06-2017 - (Market Acquisition)	7,500	0.01	101,371,494	71.69
2	Rajesh V Shah (A/c Decree Trust)				
	20-06-2017 - (Market Acquisition)	100	0.00	101,371,594	71.69
3	Oremet Minerals And Metals Pvt Ltd				
	23-06-2017 - (Market Acquisition)	100	0.00	101,371,694	71.69
4	Jamnalal Sons Pvt Ltd				
	27-09-2017 (Market Acquisition)	2041451	1.44	103,413,145	73.13
5	Smt Anjana Viren Shah				
	30-12-2017 (Market Transfer)	(10,000)	-0.01	103,403,145	73.13
	12-01-2018 - Inter se transfer	(9,000)	-0.01	103,394,145	73.12
	At the end of the year (31-03-2018)	103,394,145	73.12		

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 (01.04.2017)	% of total shares of the Company	Date	Increase/ Decrease on Shareholding	Reason	Cumulative Shares during the year/at the end of yearif no change	% of total shares of the Company during the year
1	Life Insurance Corporation of India	7,228,076	5.11					
1.1	Date wise increse/decrease during the year			03-11-2017	39,882	Sale	7,188,194	5.08
				10-11-2017	185,065	Sale	7,003,129	4.95
				01-12-2017	18,849	Sale	6,984,280	4.94
				08-12-2017	103,609	Sale	6,880,671	4.87
				15-12-2017	14,044	Sale	6,866,627	4.86
				22-12-2017	128,074	Sale	6,738,553	4.77
				29-12-2017	355,254	Sale	6,383,299	4.51
				05-01-2018	461,369	Sale	5,921,930	4.19
				12-01-2018	267,803	Sale	5,654,127	4.00
				26-01-2018	192,867	Sale	5,461,260	3.86
				02-02-2018	94,317	Sale	5,366,943	3.80
				16-02-2018	21158	Sale	5,345,785	3.78
2	Teesta Retail Pvt Ltd	3,579,056	2.53	No Change during the year			3,579,056	2.53
3	Rakesh S Gupta	2,152,136	1.52					
3.1	Date wise increse/decrease during the year			23/03/2018	100,000	Sale	2,052,136	1.45
4	Dilipkumar Lakhi	614,880	0.43					
4.1	Date wise increse/decrease during the year			05-05-2017	5,745	Sale	609,135	0.43
				08-04-2017	35,000	Sale	574,135	0.41
				20-10-2017	31,840	Sale	542,295	0.38
				27-10-2017	20,000	Sale	522,295	0.37
5	Sikkim Janseva Pratishthan Pvt Ltd.	390,000	0.28	No Change			390,000	0.28
6	MKJ Enterprises Limited	294,336	0.21	No Change			294,336	0.21
7	Punamchand Ramnarayan Rathi	260,690	0.18	No Change			260,690	0.18
8	Deven M Doshi	260,000	0.18	No Change			260,000	0.18
9	Utkal Fans Pvt Ltd	251,000	0.18	No Change			251,000	0.18
10	Grapharts Repro-Pack Pvt Ltd	242,006	0.17	No Change			242,006	0.17

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

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (1st April, 2017) / at the end of the year (31st March, 2018)		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	11,786,730	8.34	01-04-2017			11,786,730	8.34
					Nil movement during the year			
	At the end of the year March 31, 2018	11,786,730	8.34	31-03-2018			11,786,730	8.34
2	**Rajesh V Shah** Co-Chairman & Managing Director	7,200,842	5.09	01-04-2017				
					Nil movement during the year			
	At the end of the year March 31, 2018	7,200,842	5.09	31-03-2018			7,200,842	5.09
3	**Suketu V Shah** Jt. Managing Director	1,015,381	0.72	01-04-2017			1,015,381	0.72
					Nil movement during the year			
	At the end of the year March 31, 2018	1,015,381	0.72	31-03-2018			1,015,381	0.72
4	**Dhirajlal S. Mehta** Director	277	0.00	01-04-2017			277	0.00
					Nil movement during the year			
	At the end of the year March 31, 2018	277	0.00	31-03-2018			277	0.00
5	**Narendra J Shah** Director	99,605	0.07	01-04-2017			99,605	0.07
					Nil movement during the year			
	At the end of the year March 31, 2018	99,605	0.07				99,605	0.07
6	**Vinod S Shah** Director (Ceased to be Director wef. 08.04.2018)	6,032	0.00	01-04-2017			6,032	0.00
					Nil movement during the year			
	At the end of the year March 31, 2018	6,032	0.00	31-03-2018			6,032	0.00
7	**Amit Yadav** Director	200	0.00	01-04-2017			200	0.00
			16/03/2018	100	Market Purchase		300	0.00
	At the end of the year March 31, 2018	300	0.00	31-03-2018			300	0.00
8	**N.C. Sharma** Director	36	0.00	01-04-2017			-	0.00
					Nil movement during the year		36	0.00
	At the end of the year March 31, 2018	36	0.00	31-03-2018			36	0.00
9	**Bharti R Gandhi** Director	-	0.00	01-09-2017	5000	Market Purchase	5,000	0.00
							36	0.00
	At the end of the year March 31, 2018	5,000	0.00	31-03-2018			5,000	0.00
10	**Prakash V. Mehta** Director	-	0.00		Nil movement during the year		-	0.00
11	**Pratap V. Ashar** Director wef. 29.05.2018)	10	0.00		Nil movement during the year		10	0.00
	At the end of the year March 31, 2018	10	0.00	31-03-2018			10	0.00

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (1st April, 2017) / at the end of the year (31st March, 2018)		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
Key Managerial Personnel								
1	**S B Jhaveri** Chief Financial Officer	3,680	0.00	01-04-2017			3,680	0.00
					Nil movement during the year			
	At the end of the year March 31, 2018	3,680	0.00	31-03-2018			3,680	0.00
2	**K J Mallya** Company Secretary	400	0.00	01-04-2017			400	0.00
					Nil movement during the year			
	At the end of the year March 31, 2018	400	0.00	31-03-2018			400	0.00
3	**A M Kulkarni** Chief Executive Officer	3,520	0.00	01-04-2017			3,520	0.00
					Nil movement during the year			
	At the end of the year March 31, 2018	3,520	0.00	31-03-2018			3,520	0.00

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
				(Rs. in Crore)
INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR 01-04-2017				
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 31-03-2018				
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 (in Rs. Crore)	Name of MD/WTD/Manager			Total Amount
		Niraj Bajaj, Chairman & Managing Director	Rajesh V Shah, Co-Chairman & Managing Director	Suketu V Shah, Jt. Managing Director	
					(Rs. in Crore)
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	1.05	0.90	0.85	2.80
	(b) Value of perquisites u/s.17(2) of Income tax Act, 1961	0.07	0.22	0.21	0.50
	(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)	**1.12**	**1.12**	**1.06**	**3.30**
	ceiling as per the Act	1.35	1.35	1.35	4.05

B. Remuneration to other directors:

Sr. No.	Particulars Of Remuneration (in Rs. Crore)	Name of Directors							Total Amount
		Dhirajlal S Mehta	N C Sharma	Prakash V Mehta	Amit Yadav	Bharti R Gandhi	Vinod Shah	N J Shah	
									(Rs. in Crore)
1	**Independent Directors**								
	Fee for attending board / committee meetings	0.05	0.05	0.05	0.02	0.02			**0.19**
	Commission								
	Others, please specify								
	TOTAL (1)	0.05	0.05	0.05	0.02	0.02	-	-	**0.19**
2	**Other Non-Executive Directors**								
	Fee for attending board / committee meetings						0.03	0.01	**0.04**
	Commission								
	Others, please specify								
	TOTAL (2)	0	0	0	0	0	0.03	0.01	**0.04**
	TOTAL (B) = (1+2)	0.05	0.05	0.05	0.02	0.02	0.03	0.01	**0.023**
	Total Managerial Remuneration								
	Overall Ceiling as per the Act	0.14	0.13	0.14	0.07	0.06	0.11	0.05	**0.70**

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

Sr. No.	Particulars Of Remuneration (in Rs. Crore)	Key Managerial Personnel			Total
		A M Kulkarni CEO	K J Mallya Company Secretary	S B Jhaveri CFO	
					(Rs. in Crore)
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	0.83	0.33	0.86	2.02
	(b)Value of perquisites u/s.17(2) of Income tax Act, 1961	0.01	0.01	0.01	0.03
	(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	0.84	0.34	0.87	2.05

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

On behalf of the Board of Directors,

Niraj Bajaj — **Chairman & Managing Director**

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

Mumbai, May 29, 2018.

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

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

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

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

iii) Independence of Independent Directors:

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

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

i) Non Executive Directors (NEDs)

NEDs are paid –

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

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

ii) Managing Directors, Key Managerial Personnel & Other Employees

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

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

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

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

III) Performance Evaluation

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

For Board & Committees of the Board

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

b. Frequency and Quality of Meetings and attendance thereat;

c. Discharge of the key functions and other 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);

f. Reviewing Management's Performance

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.

d. Independence & Independent views and judgement (for Independent Directors)

IV) Policy on Materiality of Related Party transactions

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

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

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

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

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

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

V) Risk Management Policy of the Company.

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

VI) Policy for determining Material Subsidiaries

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

VII) Whistle Blower Policy/Vigil Mechanism

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

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

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

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

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

The Company affirms that no employee has been denied access to the Audit Committee.

On behalf of the Board of Directors,

Niraj Bajaj	**Rajesh V. Shah**
Chairman & Managing Director	**Co-Chairman & Managing Director**

Mumbai, May 29, 2018.

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 (MSMPL)**	**Mukand Sumi Special Steel Ltd. (MSSSL)**
(b)	Nature of contracts/ arrangements / transactions	Sales of goods and rendering of services, purchase of goods and receiving of services.	Sales of goods and rendering of services, purchase of goods and receiving of services.
(c)	Duration of the contracts/arrangements / transactions	On quarterly basis	On quarterly basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Arms length basis and credit period of 5 days	Arms length basis and credit period of 7 days
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.	In the quarterly meetings of the Board
(f)	Amount paid as advances, if any:	---	

On behalf of the Board of Directors,

Niraj Bajaj **Rajesh V. Shah**

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

Mumbai, May 29, 2018

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

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

A. Conservation of Energy

i) Energy Conservation Measures taken:

Steel Plant:

(a) For reduction in consumption of electrical energy:

- Overhauling of 2 Transformers of Ladle Refining Furnaces.
- Installation of VVVF drive for 450 KW, 6.6 KV AC motor of UHPF ID Fan.
- Installation of Energy Management & Control System.
- Installation of 31.5 MVA Transformer in MRSS Feeder.
- Installation of LED lights in place of Mercury/Sodium Vapour Lamps in various locations in factory premises.
- Power consumption of UHPF furnace reduced by improvement in production processes.
- Upgradation of energy efficient pumps in cooling towers and scale pit of Wire Rod Mill, Block Mill and Bar Mill.
- Installation of energy efficient pump in 5 Tonne Solution Annealing Furnace.
- Installation of VVVF drive in Rolling Mill Roller Table, Mills' combustion air fence motors, hot gas dilution fans' motor.
- Automation in Stove Hydraulic Pumps / Screw Conveyor motors and water tank filling system of Mini Blast Furnaces.
- Modification of Sinter Plant main exhaust fan and tail ESP fan.

(b) Fuel

Steps taken to reduce Fuel Consumption:

- Planned scheduling of ladles to increase production with duplex process in place of triplex process.
- Conversion of 13 MT Bogie Hearth Furnace to Spherodised Annealing.
- Installation of Recuperator in 5 Tonne Solution Annealing Furnace.
- Installation of Pneumatic Contol Valve for air fuel control system in Blooming Mill.
- Installation new BRF duct in blooming mill.
- Installation of Recuperator in 2 nos. Solution Annealing Furnaces.
- Modification of Non-drainable Trough at Mini Blast Furnace.
- Modification in Pulverized Coal Injection System

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

- Modification of injection, logic system and conveying system for increasing pulverized coal injection in place of metallurgical coke.
- Use of anthracite coal in Sinter Plant in place of conventional fuel such as coke fines.
- Additional purchase of wind energy so as to increase the share of wind energy in total consumption and use of flue gasses of the Mini Blast Furnace.
- Use of steam from power plant for VD operation in place of oil fired boiler

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

Sl. No.	Item Description	₹ in Crore
1	Overhauling of 2 transformers of Ladle Refining Furnaces.	1.06
2	Installation of VVVF drive for 450 KW, 6.6 KV AC motor of UHPF ID Fan.	0.85
3	Installation of 31.5 MVA Transformer in MRSS Feeder	2.62
4	Installation of Energy Management & Control System.	0.27
	Total	**4.80**

B. Technology, absorption, adoption and innovation

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

- Introduction of Air Mist Colling in Bloom Caster for uniform cooling of Blooms.
- Automatic Ultrasonic Testing of Bars and Bright Bars for critical applications.
- Installation of Phased Array Auto UT machine for Bars.
- Introduction of Hydraulic Oscillation in Bloom Caster for better surface quality.
- Blooming Mill motor replaced to improve torque availability and rolling speed.
- Replacement of SF6 breakers with Vacuum Current Breaker.
- Use of 4 Port Noozle in Billet Caster for quality improvement.
- Development of comparative machinability index for Company's austenitic grade of Steel .

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

- Development of special products for a variety of applications for automotive industry and thereby increased market share.

iii) Imported technology:

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

iv) Expenditure on R&D:

Description	2017-18 (Rs. Crore)	2016-17 (Rs. Crore)
a) Capital	-	0.04
b) Recurring	**0.73**	1.01
Total	**0.73**	1.05
R&D expenditure as a % of total turnover	**0.02**	0.04

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

- Steel for Transmission Application.
- Improved high purity ball bearing steel for Fuel Injection Application.
- Steel for Powertrain Application.
- Steel for Hub Bearing Application.
- Steel with superior surface quality.
- Steel for sleeve application in Fuel Injection Assembly.
- Steel for Automotive Spring.
- Steel for Rack Bar Application.
- Quenched & Tempered Bars for Automotive application.
- Steel for spring wire application.
- Steel for orthopaedic application.
- Steel for automobile exhaust application.
- Duplex and lean duplex grades of steel for variety of applications

C. Foreign Exchange Earnings and Outgo:

Sr. No.	Description	2017-18 (Rs. Crore)
i.	Foreign Exchange Earnings	**222.50**
ii.	CIF value of imports	**1,129.33**
iii.	Expenditure in Foreign Currency	**7.95**

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, May 29, 2018

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

Form AOC - I

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts), Rules 2014
Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures
Part - "A" : Subsidiaries

Rs.Crore

Sr. No.	Description	Indian Subsidiaries		Foreign Subsidiaries	
		Mukand Global Finance Ltd.	Vidyavihar Containers Ltd.	Mukand International Ltd.	Mukand International FZE
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1.4.2017 to 31.3.2018	1.4.2017 to 31.3.2018	1.4.2017 to 31.3.2018	1.4.2017 to 31.3.2018
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.65.18)	USD (USD 1 = Rs.65.18)
3.	Share Capital	11.75	119.77	0.01	8.88
4.	Reserves and Surplus.	15.69	(163.70)	0.01	5.78
5.	Total Assets.	233.78	9.94	0.02	67.22
6.	Total Liabilities.	206.34	53.87	-	52.56
7.	Investments	0.52	-	-	-
8.	Turnover *	45.01	0.08	-	281.56
9.	Profit before taxation *	2.58	(1.54)	-	1.01
10.	Provision for Taxation *	(1.09)	-	-	-
11.	Profit after taxation *	3.67	(1.54)	-	1.01
12.	Proposed Dividend / Dividend paid	-	-	-	0.66
13.	% of shareholding	100	100	100	100
	* '* In case of foreign subsidiaries, translated at average Exchange Rate of USD 1 = Rs.64.56				

Notes:

1. Names of Subsidiaries which are yet to commence operations
2. Names of Subsidiaries which have been liquidated or sold during the year :
   - Mukand Vijayanagar Steel Ltd amalgamated under Scheme of Arrangement and Amalgamation with Mukand Sumi Special Steel Ltd with effect from 15/01/2018.
   - Mukand Heavy Machinery Pvt Ltd (ceased to be subsidiary)
   - Mukand Audyogik Yantra Pvt Ltd (ceased to be subsidiary)

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 - "B" : Associate Companies & 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)	Mukand Sumi Metal Processing Ltd.	Mukand Sumi Special Steel Ltd.
		Joint Venture	**Associate**	**Associate**	**Associate**	**JV**	**JV**	**JV**
1.	Latest Auditied Balance Sheet date	31.3.2018	31.3.2018	31.3.2018	31.3.2018	31.3.2018	31.3.2018	31.3.2018
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	16,400,000	21,208,729
	Amount of Investment in Associates/Joint Ventures - Rs.Cr.	0.85 *	19.78	0.19 *	13.09 *	0.07	163.56	0.17
	Extent of Holding %	49.01	36.11	24.00	44.09	28.00	60.07	100
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	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	Nil *	14.21	(0.76) *	Nil*	Nil*	165.81	685.06
6.	Profit/Loss for the year.	-	(10.85)	(2.76)	0.39	0.39	10.52	(119.14)
i.	Considered in Consolidation	-	(3.92)	-	-	-	6.32	(119.14)
ii.	Not Considered in Consolidation.	-	-	-	0.17 *	-	-	-
	* As provision for diminution in value of investment has been considered while consolidating the financial statements.							
	1. Names of associates or joint ventures which are yet to commence operations - Mukand Vini Mineral Limited							
	2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil.							

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

1. Mukand Global Finance Ltd (MGFL):

Revenue from Operations and other income is at Rs.45.01 Cr as compared to Rs.13.38 Cr in the previous year. Profit after tax is at Rs.3.67 Cr as compared to Rs.0.04 Cr in the previous year. It recovered an amount of Rs.16.00 Cr due from an investment Company during the year which has been the main reason for the profit for the year.

2. Vidyavihar Containers Ltd (VCL):

During the year under review, income from operations is Rs.0.08 Cr as compared to Rs.1.07 Cr in the previous year. Loss after tax is at Rs.1.54 Cr as compared to Rs. 9.26 Cr in the previous year.

3. Mukand International Ltd (MIL):

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

4. Mukand International FZE (MIFZE):

MIFZE trades in steel products and inputs for manufacture of steel world wide. Turnover during the year is USD 4.36 Cr as compared to USD 2.72 Cr in the previous year. Net profit for the year is USD 0.02 Cr as compared to USD 0.02 Cr in the previous year. Its Board has proposed a dividend of USD 1,02,188 for the year under review.

5. Mukand Vini Mineral Ltd (MVML):

Further to de-allocation of coal block by Ministry of Coal, the Supreme Court of India cancelled allotment of all coal blocks in the Writ Petitions before it, including the allotment received by Joint Venture Company, M/s. Mukand Vini Mineral Ltd. In view of the de-allocation it has written off Rs.3.02 Cr towards pre-operative expenses and preliminary expenses during the Financial Year 2016-17.

6. 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 and other income is Rs.79.35 Cr as compared to Rs.136.19 Cr in the previous year. Loss after Tax is Rs.10.85 Cr as compared to Rs.2.60 Cr in the previous year on account of lower turnover resulting in shortfall in the absorption of overheads.

7. Bombay Forgings Ltd (BFL):

Revenue from operations is at Rs.33.52 Cr as compard to Rs.43.86 Cr in the previous year. Loss for the year was at Rs. 2.76 Cr as compared to Rs.0.84 Cr in the previous year. This was mainly on account of slump in the market for forgings.

8. 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 had 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 was obtained and balance of the said land has been transferred.

9. Hospet Steels Ltd (HSL):

HSL is an outcome of a strategical alliance between Kalyani Steels Limited and Mukand Ltd to manage and operate the composite manufacturing facility at Ginigera, Karnataka. Actual expenses incurred by HSL for carrying out its objectives are reimbursed by alliance constituents. In view of the same, no service charges are recovered by HSL. During the year it claimed reimbursement of Rs.125.85 Cr from the constituents and its profit for the year after tax was Rs.0.39 Cr.

10. 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.631.70 Cr as compared to Rs.531.31 Cr in the previous year. Profit after tax is at Rs.10.52 Cr as compared to Rs.11.27 Cr in the previous year.

11. Mukand Sumi Special Steel Ltd (MSSSL) :

Board of MSSSL has approved, a scheme of arrangement and amalgamation amongst the Company, Mukand Ltd., and Mukand Vijayanagar Steel Limited (MVSL) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of Alloy Steel Rolling and Finishing Business (ASRFB) of Mukand Ltd to it. The Appointed Date under the Sceme is 1st January 2017. On approval of Scheme by NCLT by Order dated 13th December 2017, MSSSL has filed the same with ROC Maharashtra on 15th January 2018 and accordingly the Scheme is made effective from 15th January 2018. Turnover for the year is Rs.1,992.62 Cr and loss after tax is Rs.119.14 Cr mainly on account of interest, depreciaton/ amortization expenses.

On behalf of Board of Directors,

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

1.1 Details of remuneration of MDs, KMPs as compared to median remuneration of the employees and other details are as under.

i) The ratio of the remuneration of each Director and Key Management Personnel to the median remuneration of the employees of the company for the Financial Year 2017-18 and percentage increase in remuneration over last Financial Year

Name & Designation	Ratio of remuneration of Directors with respect to median remuneration of employees	Percentage increase in remuneration over last Financial Year
Managing Directors:		
Niraj Bajaj - Chairman & Managing Director	21.92:1	* 25%
Rajesh V Shah - Co-Chairman & Managing Director	21.88:1	* 24%
Suketu V Shah - Joint Managing Director	20.99:1	* 24%
Key Management Persons:		
S.B. Jhaveri - Chief Financial Officer	N.A.	16%
A.M. Kulkarni - Chief Executive Officer	N.A.	20%
K.J. Mallya - Company Secretary	N.A.	4%

* The increase in remuneration paid is as per terms approved by shareholders in the 79th Annual General Meeting held on 24th July, 2017. The increase to Managing Directors were granted after lapse of several years.

ii) The percentage increase in the median remuneration of employees in the Financial Year - 14%.

iii) The number of permanent employees on the rolls of the company. Total number of permanent employees as on March 31, 2018 - 1,759

iv) The explanation on the relationship between average increase in remuneration and Company performance.

Company's gross revenue was Rs. 3,107 Crore for the year under review .

Company made profit of Rs.44.06 Crore for the year under review as compared to profit of Rs.60.45 Crore for the previous year (before tax adjustments in respect of an earlier year).

v) Remuneration of the Key Managerial Personnel during the year under review is as per Remuneration Policy of the Company.

vi) The last Rights Issue was made on 20th February 2014 @ Rs.21/- per Share when the market price was Rs.21.50 per share. The market price as on 31st March 2018 was Rs.58.40 per share. The market capitalization on 31st March 2018 was at Rs.819.97 Crore as compared to Rs.1,200.54 Crore as on 31st March 2017. Earnings per share for the year is Rs.3.12).

vii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 9% and the percentage increase in the managerial remuneration was at 21%.

viii) The key parameters of any variable component of remuneration availed by the directors.

There is no variable component of remuneration payable to the Directors.

ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director ring the year end : Nil , and;

x) Affirmation that the remuneration is as per the remuneration policy of the company.

It is hereby affirmed that the remuneration to Managerial personnel is as per remuneration policy of the Company

1.2 Disclosure under Section 197 (read with Rule 5(2) of Companies Appointment and Remuneration of Managerial personnel) Rules, 2014.

Sr. No.	Employee Name	Designation	Educational Qualifications	Experience in years	Gross Remuneration in F.Y. 2017-18 (Rs. In crore)	Previous Employment & Designation
1	Niraj Bajaj	Chairman & Managing Director	B.Com., M.B.A. (Harvard Business School)	37	1.12	Executive Trainee - Bajaj Auto Limited
2	Rajesh V. Shah	Co-Chairman and Managing Director	M.A.(Cambridge University), M.B.A. (California University), P.M.D.,(Harvard Business School)	41	1.12	Director, Virani Fasteners & Bolts Pvt Ltd.
3	Suketu V. Shah	Joint Managing Director	B.Com., M.B.A.(Harvard Business School)	36	1.06	Executive Director Adonis Laboratories Pvt. Ltd.

Except for the above, none of the employees, employed throughout the year, were in receipt of remuneration of not less than Rs.1.02 crore p.a. and employed for part of the year, werein receipt of remuneration of not less than Rs.8.50 Lakhs p.m.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V Shah
Co-Chairman & Managing Director

Mumbai, May 29, 2018

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to Section 204(1) of The Companies Act, 2013 & Rule 9 of the Companies Appointment and Remuneration of Managerial 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 authorised 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 March 31, 2018 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 March 31, 2018 according to the provisions of:

1. The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   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;
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
   i) The Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) 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 relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes book, 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. A Scheme of arrangement& amalgamation under Section 230 to 232 of the Companies Act, 2013, between Mukand Limited and its wholly owned subsidiaries, viz. Mukand Vijayanagar Steel Limited ("MVSL") and Mukand Alloy Steels Private Limited ("MASPL")was approved by the Hon'ble National Company Law Tribunal vide its Order dated 13th December, 2017. Accordingly, the Alloy Steel Rolling and Finishing Business undertaking of the Company stands transferred to MVSL through slump sale and soon thereafter MVSL has merged with MASPL and MVSL stands dissolved without winding up.
2. The Board of directors of the Company in its meeting held on March27, 2017, had approved a Scheme of Arrangement and Amalgamation amongst Mukand Limited, Whiteleaf Multiventures Private Limited and Avista Diam & Gold Private Limited, subject to the approval of statutory and regulatory authority(ies) as were required under the applicable laws. Further Board in its meeting held on February 14, 2018 reconsidered and reviewed the aforesaid proposal and has decided to withdraw the said scheme.
3. The Board of Directors of the Company had acquired two companies Mukand Audyogik Yantra Private Limited and Mukand Heavy Machinery Private Limited in March, 2017 in order to facilitate the Scheme of Arrangement and Amalgamation amongst Mukand Limited, Whiteleaf Multiventures Private Limited and Avista Diam & Gold Private Limited. Since the Board decided not to go ahead with the aforesaid scheme, to the Company disinvested part of the equity shares held by the Company in the aforesaid two companies and has de-subsidiarised the said two Companies.

FOR ANANT B KHAMANKAR & CO.

ANANT KHAMANKAR
F.C.S. - 3198
C.P. No. - 1860

Date: May 18, 2018
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Mukand Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS Financial Statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone Ind AS Financial Statements:

a) Note '12 C' to the standalone Ind AS Financial Statements relating to the exposure in Bombay Forgings Limited (BFL) aggregating to Rs. 86.49 crores as at March 31, 2018 (Rs. 82.01 crores as at March 31, 2017), 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 '25 B' to the standalone Ind AS Financial Statements, relating to exposure aggregating Rs. 123.97 crores as at March 31, 2018 (Rs. 113.54 crores as at March 31, 2017) in respect of road construction activity, the claims for which are being processed at various appellate fora and our reliance on the management's expectation backed by its legal opinion, of its realisability of balances over a period of next 2 to 3 years.

Our opinion is not modified in respect of these matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS Financial Statements are based on the previously issued statutory financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified audit opinion dated May 24, 2017 and May 23, 2016 respectively. The adjustments to those financial statements for the differences in the accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

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, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Ind AS Financial Statements – Refer Note '37' on Contingent Liabilities to the standalone Ind AS Financial Statements;

(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; and

(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 / W100048

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 29, 2018

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 Ind AS Financial Statements for the year ended March 31, 2018]

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

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

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

(ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of stock lying with third parties, these have been 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, during the 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. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

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

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

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

(vii) (a) The Company is 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, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it. However there have been slight delays in payment of tax deducted at source, value added tax, central sales tax, entry tax and profession tax which have not been serious.

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, goods and service 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, goods and service tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act	Income Tax	0.682	1992-93	High Court	
Income Tax Act	Income Tax	0.594	1996-97	Assessing Officer	
Income Tax Act	Income Tax	0.313	1997-98	High Court	
Income Tax Act	Income Tax	0.640	1998-99	High Court	
Wealth Tax Act	Wealth Tax	0.352	1998-99	High Court	
Trade Tax and Entry Tax	UP Trade Tax and Entry Tax	0.074*	2001-02	High Court	
Trade Tax	UP Trade Tax	0.30*	2002-03, 2003-04	High Court	
Entry Tax	Entry Tax	0.109	2002-03	Additional Commissioner (Appeals)	
Sales Tax	Local Sales Tax, Central Sales Tax	0.018	1988-89, 1989-90	Tribunal	
Sales Tax	Local Sales Tax, Central Sales Tax	0.021	1989-90, 1990-91, 1991-92, 1996-97, 1998-99	Deputy Commissioner Appeals	
Sales Tax	Local Sales Tax, Central Sales Tax	0.033	2012-13	Additional Commissioner (Appeals)	

* Net of amount deposited i.e. demand has been paid under protest.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan from government(s) nor have issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public issue offer / further public offer (including debt instruments) during the year. The Company has utilized the money raised by way of term loans 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 Section 177 and Section 188 of Act, where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.

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

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

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

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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 29, 2018

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 Ind AS Financial Statements for the year ended March 31, 2018]

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, 2018 in conjunction with our audit of the standalone Ind AS 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 29, 2018

Balance Sheet as at 31st March, 2018

	Note No.		31-Mar-18 Rs in crore	31-Mar-17 Rs in crore	01-Apr-16 Rs in crore
I ASSETS					
(A) Non Current Assets					
(1) Property Plant & Equipment, Capital Work-in-Progress & Intangible Assets	**3**				
(a) Property Plant & Equipment		**561.98**		692.51	728.98
(b) Capital work-in-progress		**23.40**		38.88	37.08
(c) Intangible assets		**0.12**		0.16	0.10
			585.50	731.55	766.16
(2) Financial Assets					
(a) Investments	**4**	**1,427.79**		266.68	247.42
(b) Other Financial Assets	**5**	**29.79**		24.89	13.62
			1,457.58	291.57	261.04
(3) Deferred Tax Assets (net)	**6**		**-**	61.93	125.79
(4) Income Tax Assets	**7**		**49.72**	43.51	38.29
(5) Other non-current assets	**8**		**73.46**	84.21	88.71
Total (A)			**2,166.26**	1,212.77	1,279.99
(B) Current Assets					
(1) Inventories	**9**		**1,105.02**	1,342.60	1,157.45
(2) Financial Assets					
(a) Trade receivables	**10**	**310.16**		1,010.85	1,041.27
(b) Cash & Cash Equivalents and Other Bank Balances	**11**				
(i) Cash & Cash Equivalents	**11.1**	**11.08**		16.75	15.13
(ii) Bank Balances other than (i) above	**11.2**	**47.46**		44.66	48.81
		58.54		61.41	63.94
(c) Loans	**12**	**48.18**		15.89	22.07
(d) Other Financial Assets	**13**	**564.92**		596.16	472.17
Total (2)			**981.80**	1,684.31	1,599.45
(3) Other Current Assets	**14**		**83.72**	162.54	173.25
Total (B)			**2,170.54**	3,189.45	2,930.15
Total - Assets			**4,336.80**	4,402.22	4,210.14
II EQUITY AND LIABILITIES					
II.1 Equity					
(a) Share Capital	**15**	**141.42**		141.42	141.42
(b) Other Equity	**16**	**992.64**		220.05	230.47
			1,134.06	361.47	371.89
II.2 Liabilities					
(A) Non Current Liabilities					
(1) Financial Liabilities					
(a) Borrowings	**17**	**779.09**		1,648.50	1,584.35
(b) Other Financial Liabilities	**18**	**4.00**		4.00	3.53
Total (1)			**783.09**	1,652.50	1,587.88
(2) Provisions	**19**		**35.17**	37.33	41.02
(3) Deferred Tax Liabilities (net)			**88.32**	-	-
Total (A)			**906.58**	1,689.83	1,628.90
(B) Current Liabilities					
(1) Financial Liabilities					
(a) Borrowings	**20**	**879.32**		948.70	882.06
(b) Trade payables	**21**	**944.04**		864.20	837.79
(c) Other Financial Liabilities	**22**	**349.06**		361.19	343.28
Total (1)			**2,172.42**	2,174.09	2,063.13
(2) Other Current Liabilities	**23**		**115.38**	167.82	138.20
(3) Provisions	**24**		**8.36**	9.01	8.02
Total (B)			**2,296.16**	2,350.92	2,209.35
Total Equity & Liabilities			**4,336.80**	4,402.22	4,210.14
Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	**1 to 48**				

As per our attached report of even date

For and on behalf of Board of Directors

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

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

			Note No.		2017-18 Rs in crore	2016-17 Rs in crore
I	**Revenue from Operations**		25		**3,106.65**	2,995.19
II	**Other Income**		26		**300.93**	219.97
III	**Total Revenue (I) + (II)**				**3,407.58**	3,215.16
IV	**Expenses**					
	(a)	Cost of Materials Consumed	27		**1,772.18**	1,153.45
	(b)	Purchase of Stock in Trade			**11.73**	-
	(c)	Changes in inventories of Finished Goods and Work-in-Progress / Contracts in Progress & Stock-in Trade	28		**(54.47)**	(104.83)
	(d)	Excise Duty			**36.83**	328.56
	(e)	Employee benefits expense	29		**182.47**	174.59
	(f)	Finance costs	30		**267.25**	424.78
	(g)	Depreciation and amortization expense			**56.47**	71.35
	(h)	Other expenses	31		**1,102.77**	1,095.90
	(i)	Expenditure transferred to Capital Accounts / Capital Work-in-Progress			**(6.95)**	(2.72)
		Total Expenses			**3,368.28**	3,141.08
		Profit/(Loss) before Exceptional items and tax			**39.30**	74.08
		Add / (Less) :				
		Exceptional Items (net)	32		**(13.46)**	-
V.	**Profit before tax (III - IV)**				**25.84**	74.08
VI.	**Tax Expense:**					
	Current Tax (MAT)			**(5.52)**		-
	Excess / (Short) provision for tax in respect of earlier years			**0.45**		-
					(5.07)	-
	Deferred Tax (Charge) / Credit					
	MAT credit entitlement			**5.52**		-
	Deferred Tax			**17.77**		(13.63)
	Deferred Tax / MAT credit entitlement				**23.29**	(13.63)
	Profit/(Loss) for the period before tax adjustments pertaining to earlier years				**44.06**	60.45
	Less :	Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years				
		MAT Entitlement Lapsing			**-**	(15.53)
		Deferred Tax Charge due to lapsing of business loss			**-**	(33.68)
		Tax Adjustments			**-**	(49.21)
VII.	**Profit/ (Loss) for the year (V) - (VI)**				**44.06**	11.24
VIII.	**Other Comprehensive income (net of tax)**		34			
	Items that will not be reclassified to Profit or loss			**43.01**		(20.63)
	Deferred tax			**(12.30)**		(1.03)
					30.71	(21.66)
IX	**Total Comprehensive Income for the year (VII) + (VIIII)**				**74.77**	(10.42)
	Basic and diluted earnings per share (in Rs.)		35		**3.12**	0.79
	Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements		1 to 48			

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

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Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

Statement of Changes in Equity

A Equity Share Capital

		Rs in crore
As at	1-Apr-16	141.42
As at	31-Mar-17	141.42
As at	31-Mar-18	141.42

B Other Equity

Rs in crore

			Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of defined benefit obligations	Total
1	**As at**	**1-Apr-16**	**-**	**3.00**	**299.63**	**234.78**	**(289.52)**	**(17.42)**	**-**	**230.47**
2	Total Comprehensive Income for the year						11.24	(23.85)	2.19	(10.42)
3	**As at**	**31-Mar-17**		**3.00**	**299.63**	**234.78**	**(278.28)**	**(41.27)**	**2.19**	**220.05**
4	Total Comprehensive Income for the year						44.06	709.54	2.28	755.88
5	Adjustments on account of transfer of Alloy Steel Rolling & Finishing Business [Refer Note 41 (I)]						16.71			16.71
6	Past losses adjusted against Securities Premium in terms of Scheme of Arrangement & Amalgamation [Refer Note 41 (I)]				(199.31)		199.31			-
7	**As at**	**31-Mar-18**		**3.00**	**100.32**	**234.78**	**(18.20)**	**668.27**	**4.47**	**992.64**

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

Niraj Bajaj
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DIN: 00028261

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DIN: 00033371

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Joint Managing Director
DIN: 00033407

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Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

Cash Flow Statement for the year ended 31st March, 2018

Rs in crore

		2017-18	2017-18	2017-18	2016-17	2016-17	2016-17
A	**Cash Flow arising from Operating Activities**						
	Profit / (Loss) before Tax & Exceptional items			**39.30**			74.08
	Profit / (Loss) of ASRFB directly in Reserves			**1.24**			-
				40.54			74.08
	Add back :						
	(1) Depreciation		**56.47**			71.35	
	(2) Other Non-cash Expenditure/(Income) -(net)		**(259.10)**			(61.18)	
	(3) Interest / Lease Charges (net)		**242.00**			268.46	
				39.37			278.63
				79.91			352.71
	Deduct :						
	(1) Investment Income		**1.64**			1.42	
	(2) Surplus/(Loss) on sale of assets -(net)		**(3.43)**			0.73	
				(1.79)			2.15
	Operating Profit before Working Capital changes			**81.70**			350.56
	Less : Working Capital Changes						
	(1) Increase in Other Non Current Financial Assets	**4.91**			11.27		
	(2) Increase in Short Term Loans	**43.10**			-		
	(3) Increase in Current Financial Assets Others	**298.22**			-		
	(4) Increase in Inventories	**-**			185.16		
	(5) Decrease in Current Financial Liabilities Others	**4.34**			-		
	(6) Decrease in Other Current Liabilities	**52.44**			-		
			403.01			196.43	
	Less:						
	(1) Decrease in Trade Receivables	**701.98**			35.05		
	(2) Decrease in Other Non Current Assets	**10.43**			4.17		
	(3) Decrease in Short Term Loans	**-**			0.88		
	(4) Decrease in Current Financial Assets Others	**-**			26.90		
	(5) Decrease in Other Current Assets	**78.81**			10.71		
	(6) Decrease in Margin Money	**1.27**			4.04		
	(7) Decrease in Inventories	**237.59**			-		
	(8) Increase in Trade Payables	**81.00**			28.44		
	(9) Increase in Current Financial Liabilities Others	**-**			2.17		
	(10) Increase in Other Current Liabilities	**-**			29.61		
	(11) Increase in Non Current Financial Liabilities Others	**-**			0.48		
			1,111.08			142.45	
	Net Working Capital changes			**(708.07)**			53.98
	Cash Flow from Operations			**789.77**			296.58
	Less : Direct taxes paid (net of refunds)			**11.29**			5.22
				778.48			291.36
	Add : Exceptional items			**(10.15)**			3.17
	Net Cash Inflow/(Outflow) from Operating Activities			**768.33**			294.53

Cash Flow Statement for the year ended 31st March, 2018 (Contd.)

Rs in crore

		2017-18	2017-18	2017-18	2016-17	2016-17	2016-17
B	**Cash Flow arising from Investing Activities**						
	Inflow						
	(1) Sale of Fixed Assets		**132.09**			0.86	
	(2) Dividends received		**1.64**			1.42	
	(3) Sale of Investments		**0.02**			-	
				133.75			2.28
	Deduct Outflow						
	(1) Acquisition of Fixed Assets		**44.35**			34.73	
	(2) Acquisition of Investments		**-**			0.18	
				44.35			34.91
	Net Cash Inflow/(Outflow) from Investing Activities			**89.40**			(32.63)
C	**Cash Flow arising from Financing Activities**						
	Inflow						
	(1) Increase in Working Capital Loans from Banks - (net)		**-**			33.51	
	(2) Increase in Other Unsecured Loans (net)		**-**			162.26	
				-			195.77
	Deduct Outflow						
	(1) Decrease in Term Loans - (net)		**195.63**			50.48	
	(2) Decrease in Working Capital Loans from Banks - (net)		**102.49**			-	
	(3) Decrease in Unsecured Loans		**629.46**			-	
	(4) Dividends paid		**0.05**			-	
	(5) Interest / Lease charges - (net)		**(68.31)**			405.69	
				859.32			456.17
	Net Cash Inflow / (Outflow) from Financing Activities			**(859.32)**			(260.40)
	Net Increase / (Decrease) in Cash/Cash Equivalents			**(1.59)**			1.50
	Add : Balance at the beginning of the year			**17.30**			15.80
	Cash/Cash Equivalents at the close of the year			**15.71**			17.30

Note : The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS7-Statement of Cash Flows.

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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Co-Chairman & Managing Director
DIN: 00033371

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

(1) Background of the Company

Mukand Limited ('the Company') is a public limited company, incorporated and domiciled in India which mainly deals in manufacture of special alloy steel/ stainless steel, billets, bars, rods, wire rods, EOT cranes, material handling equipment and other industrial machinery and comprehensive engineering services. The registered office of the Company is located at Bajaj Bhawan, Jamnalal Bajaj Marg 226, Nariman Point, Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The standalone financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 29, 2018.

(2) Significant Accounting Policies followed by the Company

(a) Basis of preparation

(i) These financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended March 31, 2018 are the first financial statements, which have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 including Ind AS 101 First time Adoption of Ind AS.

The date of transition to Ind AS is April 01, 2016. Refer note 48 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities that are measured at fair value

ii) Assets held for sale-measured at fair value less cost to sell

iii) Measurement of derivative financial instruments

iv) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest crores, except when otherwise indicated.

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

§ Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. 12 months.

§ Held primarily for purpose of trading

§ Expected to be realized within twelve months after the reporting period, or

§ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

§ It is expected to be settled in normal operating cycle i.e. 12 months.

§ It is held primarily for purpose of trading

§ It is due to be settled within twelve months after the reporting period, or

§ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(b) Property, plant and Equipment (PPE)

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non refundable taxes and duties after deducting trade discounts/rebates, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Transition to Ind AS

On the date of transition to Ind AS, the Company has elected to continue with the net carrying value of property, plant and equipment recognised as at April 01, 2016 (after considering the effect of reversal of revaluation reserve under IGAAP as on April 01, 2016) measured as per previous GAAP and use that carrying value as the deemed cost of property, plant & equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for Continuous Process Plant where useful life is considered as 18 years as per technical evaulation.

Depreciation commences when the assets are ready for their intended use.

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 INR 5,000/- are fully depreciated at the rate of 100% in the year of purchase.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the statement of profit and loss.

(c) Intangible Assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

On transition to Ind AS

On the date of transition to Ind AS, the Company has elected to continue with the net carrying value of intangible assets recognised as at April 01, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Useful life of 3 years is considered for amortisation of intangible assets - Computer Software.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the statement of profit and loss.

(d) Leases

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(e) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

Transaction costs relating to borrowings are considered under effective interest rate method.

(f) Impairment of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less

costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
* those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows.

Initial Recognition & Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

§ Debt instruments at fair value through profit or loss (FVTPL)

§ Debt instruments at fair value through other comprehensive income (FVTOCI)

§ Debt instruments at amortised cost

§ Equity instruments at fair value (either through profit or loss or through other comprehensive income, if designated).

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

a) Business Model Test: The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following conditions are met:

a) Business Model Test: The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) Cash flow characteristics test: The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument which does not meet the criteria for amortised cost or FVTOCI is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in the statement of profit and loss and presented net in the Statement of Profit and Loss within other gains or losses in the period in which it arises. Interest income from these debt instruments is included in other income.

Equity Instruments

For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

(II) Equity & Financial Liabilities

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

§ At amortised cost

§ At fair value through profit or loss (FVTPL)

Financial liabilities at amortised cost:

The Company classifies the following under amortised cost:

§ Borrowings from banks

§ Borrowings from others

§ Trade payables

§ Lease Deposits

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the ‘other gains and losses’ line item.

Derecognition of financial liabilities:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(III) Financial guarantees contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS109 and the amount recognised less cumulative amortisation.

(IV) Derivative financial instruments

Derivative financial instruments such as forward contracts are taken by the Company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

(V) Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(h) Fair value measurement:

The Company measures financial instruments, such as, certain investments and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

§ In the principal market for the asset or liability, or

§ In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

§ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

§ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

§ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value (NRV). Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Raw Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost formulae used for determination of cost are 'First in First Out' for Raw Materials and 'Weighted Average Cost' for Stores and Spares.

Machinery spares, stand-by equipment and servicing equipment are recognised as inventory when the useful life is less than one year and the same are charged to the statement of profit and loss as and when issued for consumption.

(j) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset

is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(k) Provisions and Contingencies

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities & contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(l) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have any unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as superannuation scheme, provident fund.

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution plans

Defined Contribution Plans such as superannuation scheme, provident fund are charged to the statement of profit and loss as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

(m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

(n) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(p) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

§ the profit attributable to owners of the Company

§ by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

§ the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

§ the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(q) Non-current assets held for sale

The Company classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the statement of profit and loss.

The criteria for “held for sale” classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

(r) Dividend distribution to equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

(s) Foreign currencies

The financial statements are presented in Indian rupee (INR), which is Company’s functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the statement of profit and loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

(t) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Revenue from construction/project related activity and contracts for supply/ commissioning of plant and equipment is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i. the amount of revenue can be measured reliably;

ii. it is probable that the economic benefits associated with the contract will flow to the Company;

iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and

iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Unbilled Revenue

Difference between revenue as per percentage of completion method and billing milestone are considered as unbilled revenue and receivable from such revenue are shown as other financial assets.

Duty Drawback Scheme

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

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(u) Significant accounting estimates, judgements and assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

i. Useful lives of property, plant and equipment:

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Act and also as per management estimate for certain category of assets. Assumption also needs to be made, when Company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.

ii. Engineering contracts Income:

Revenue is recognised based on the proportion to the stage of completion of the transaction at the reporting date. Determination of the stage of completion based on budgeted costs is very technical and is determined by the management experts.

iii. Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.

iv. Defined benefit plan:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. Allowances for uncollected accounts receivables:

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

vi. Allowance for inventories:

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory

items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management satisfies itself that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

vii. Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

viii. Contingencies:

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against Company as it is not possible to predict the outcome of pending matters with accuracy.

(v) Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

i. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements.

ii. Ind AS 115, Revenue from Contract with Customers:

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018. The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements.

iii. Ind AS 12 - Income taxes

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes'. The amendments are applicable to the Company from April 01, 2018. The amendments explain how to apply the recognition and measurement requirements in Ind AS 12 Income taxes when there is uncertainty over income tax treatment. The amendment considers that:

§ Tax law determines which deductions are offset against taxable income in determining taxable profits.

§ No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

The Company is evaluating the requirement of the amendment and the impact on the financial statements.

(3) PROPERTY PLANT & EQUIPMENT, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS

Rs in crore

	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 1-Apr-17	Additions/ Adjustments	Deductions/ Adjustments	Adjustments on account of transfer of Business	As at 31-Mar-18	As at 1-Apr-17	For the year	Deductions/ Adjustments	Adjustments on account of transfer of Business	As at 31-Mar-18	As at 31-Mar-18
i) Property Plant & Equipment											
Freehold Land	14.44	6.46	0.23	(4.29)	**16.38**	-	-	-	-	**-**	**16.38**
Railway Siding	13.82	-	-	-	**13.82**	6.95	1.02	-	-	**7.97**	**5.85**
Buildings and Roads	196.13	3.23	-	-	**199.36**	94.46	5.63	-	-	**100.09**	**99.27**
Plant and Machinery	1,527.22	49.77	5.59	(343.23)	**1,228.17**	962.71	48.82	8.01	(210.07)	**793.45**	**434.72**
Furniture,Fixtures,etc.	9.54	0.37	2.03	(0.18)	**7.70**	6.51	0.40	2.15	-	**4.76**	**2.94**
Office Machinery	2.53	0.09	0.42	-	**2.20**	2.10	0.12	0.40	-	**1.82**	**0.38**
Vehicles	3.90	1.50	0.39	-	**5.01**	2.34	0.44	0.21	-	**2.57**	**2.44**
	1,767.58	61.42	8.66	(347.70)	**1,472.64**	1,075.07	56.43	10.77	(210.07)	**910.66**	**561.98**
ii) Capital Work-in-Progress, expenditure todate											**23.40**
iii) Intangible Assets- Software	1.64	-	-	-	**1.64**	1.48	0.04	-	-	**1.52**	**0.12**
Total (i) + (ii) + (iii)	1,769.22	61.42	8.66	(347.70)	**1,474.28**	1,076.55	56.47	10.77	(210.07)	**912.18**	**585.50**

(3) PROPERTY PLANT & EQUIPMENT, CAPITAL WORK-IN-PROGRESS & INTANGIBLE ASSETS (Contd.)

Rs in crore

	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 1-Apr-16	Additions/ Adjustments	Deductions/ Adjustments	Adjustments/ Additions/ (Deductions) to Revalued Assets	As at 31-Mar-17	As at 1-Apr-16	For the year	Deductions/ Adjustments	Adjustments/ Additions/ (Deductions) to Revalued Assets	As at 31-Mar-17	As at 31-Mar-17
i) Property Plant & Equipment											
Freehold Land	14.38	0.06	-	-	14.44	-	-	-	-	-	14.44
Railway Siding	13.82	-	-	-	13.82	5.93	1.02	-	-	6.95	6.87
Buildings and Roads	195.26	0.88	0.01	-	196.13	89.10	5.36	0.01	-	94.45	101.68
Plant and Machinery	1,494.81	32.71	0.30	-	1,527.22	899.23	63.77	0.27	-	962.73	564.49
Furniture,Fixtures,etc.	8.50	1.12	0.08	-	9.54	5.74	0.57	0.07	-	6.24	3.30
Office Machinery	2.45	0.08	-	-	2.53	2.21	0.15	-	-	2.36	0.17
Vehicles	4.13	0.14	0.37	-	3.90	2.16	0.45	0.27		2.34	1.56
	1,733.35	34.99	0.76	-	1,767.58	1,004.37	71.32	0.62	-	1,075.07	692.51
ii) Capital Work-in-Progress, expenditure todate									-		38.88
iii) Intangible Assets- Software	1.55	0.09	-	-	1.64	1.45	0.03	-	-	1.48	0.16
Total (i) + (ii) + (iii)	1,734.90	35.08	0.76	-	1,769.22	1,005.82	71.35	0.62	-	1,076.55	731.55

Note: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant & equipment recognised as at 1 April 2016 measured as per GAAP, which in case of Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, Plant & Equipment.

A) Property Plant & Equipment, Capital Work-in-Progress & Intangible Assets

(i) Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 17 & 20 on borrowings.

Refer to Note 37(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Gross Block of Buildings as at 31st March, 2018 includes value of offices, residential flats and garages in co-operative societies/proposed co-operative societies/association of apartment owners aggregating Rs.6.33 crore at cost (March 31,2017 - Rs.6.33 crore, April 1,2016 - Rs 6.34 crore) [including cost of shares in co-operative societies Rs. 7,000/- (March 31,2017- Rs.7,000/-, April 1, 2016 - Rs 7,000/-)].

(iii) Property Plant & Equipment include borrowing costs of Rs. 1.61 crore capitalised during the year (Previous Year Rs.2.13 crore).

(iv) Capital work in progress comprises of Property Plant & Equipment under construction and pre-operative expenses & interest pending allocation.

Notes (contd.)

				31-Mar-18	31-Mar-17	01-Apr-16
(4)	**NON-CURRENT INVESTMENTS,**			**Rs in crore**	Rs in crore	Rs.in crore
I	**Investments in Equity instruments :**					
	A	**In Subsidiary Companies (Unquoted) : [Refer Notes below] (At FVTOCI)**				
		(i)	**Mukand Global Finance Ltd.**			
			11,749,500 Equity Shares of Rs.10/-each, fully paid up		6.56	17.06
		(ii)	**Mukand International Ltd.**			
			1,000 Ordinary Shares of Stg. Pound 1/-each, fully paid up (Rs 50,000)			
		(iii)	**Mukand International FZE**			
			5 Ordinary Shares of AED 1/- million each, fully paid up	**11.44**	11.09	10.83
		(iv)	**Vidyavihar Containers Ltd**			
			11,976,762 Equity Shares of Rs.100/-each, fully paid up		8.47	22.03
		(v)	**Mukand Vijaynagar Steel Ltd. [Amalgamated w.e.f. 01-01-17 with Mukand Alloy Steels Ltd]**			
			-- (7,066,243) Equity Shares of Rs.10/-each, fully paid up		0.17	
		(vi)	**Mukand Audyogik Yantra P Ltd (formerly known as Whiteleaf Heavy Machinery Pvt Ltd) (Others in FY 2017-18)**			
			1,901 (10,000) Equity Shares of Rs 10/- each, fully paid up (Rs19,010)		0.01	
		(vii)	**Mukand Heavy Machinery P Ltd (formerly known as Technosys Industrial Machinery Pvt Ltd) (Others in FY 2017-18)**			
			1,901 (10,000) Equity Shares of Rs 10/- each, fully paid up (Rs 19,010)		0.01	
		Sub-total - Subsidiary Companies		**11.44**	26.31	49.92
	B	**In Joint Ventures (Unquoted) : [Refer Notes below] (At FVTPL)**				
		(i)	**Mukand Vini Mineral Ltd**			
			852,800 Equity Shares of Rs.10/-each, fully paid up			0.85
		(ii)	**Mukand Sumi Metal Processing Ltd**			
			16,400,000 Equity Shares of Rs.10/-each, fully paid up	**271.31**	220.32	176.60
		(iii)	**Mukand Sumi Special Steel Ltd (earlier known as Mukand Alloy Steels Ltd.) [Refer Notes below]**			
			21,208,729 (31-Mar-17, 10,000) (1-Apr-16, 10,000) Equity Shares of Rs 10/- each, fully paid up	**1,125.00**	0.01	0.01
		(iv)	**Hospet Steels Ltd.**			
			70,004 Equity Shares of Rs. 10/-each, fully paid up	**0.07**	0.07	0.07
		Sub-total - Joint Ventures		**1,396.38**	220.40	177.53
	C	**In Associates (at Cost) :**				
		C.1	**Quoted**			
		(i)	**Mukand Engineers Ltd.**			
			4,539,781 Equity Shares of Rs.10/-each, fully paid up	**19.78**	19.78	19.78
		C.2	**Unquoted**			
		(i)	**Stainless India Ltd.**			
			6,097,200 Equity Shares of Rs.10/-each, fully paid up	**13.09**	13.09	13.09
			Less : Provision for diminution in the value of investments	**(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	0.19
				0.19	0.19	0.19
		Sub-total - Associates		**19.97**	19.97	19.97

Notes (contd.)

(4) NON-CURRENT INVESTMENTS,	31-Mar-18	31-Mar-17	01-Apr-16
	Rs in crore	Rs in crore	Rs.in crore
D In Others (Unquoted measured at FVTPL)			
(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 1000]			
(v) Mukand Vijaynagar Steel Ltd. [Amalgamated w.e.f. 01-01-17 with Mukand Alloy Steels Ltd]			
(-) (13,999) Equity Share of Rs.10/-each, fully paid up			
(vi) Mukand Audyogik Yantra P Ltd (formerly known as Whiteleaf Heavy Machinery Pvt Ltd) (Subsidary in FY 2016-17)			
1,901 (10,000) Equity Shares of Rs 10/- each, fully paid up (Rs19,010)			
(vii) Mukand Heavy Machinery P Ltd (formerly known as Technosys Industrial Machinery Pvt Ltd) Subsidary in FY 2016-17)			
1,901 (10,000) Equity Shares of Rs 10/- each, fully paid up (Rs 19,010)			
Sub-total - Others			
	1,427.79	266.68	247.42
Book Value			
Quoted Investments	**19.78**	19.78	19.78
Unquoted Investments	**1,408.01**	246.90	227.64
	1,427.79	266.68	247.42
Market Value			
Quoted Investments	**16.62**	22.02	11.26

Note : Aggregate diminution in value of Investments Rs 13.09 crore (31-Mar-17 Rs 13.09 crore; 01-Apr-16 Rs 13.09 crore).

Notes

(a) (i) During the Year, the Company has opted to measure its non-current investments in equity shares in Subsidiary Companies at Fair value through Other Comprehensive Income (FVTOCI) while investments held in Joint Ventures are measured through Profit or Loss (FVTPL), from April 1, 2016, the transition date for Ind-AS. Accordingly, the resultant impact has been considered in the opening reserves for the effects arising for the period till April 1, 2016 and for the period thereafter in OCI or the Profit or Loss as the case may be. Also refer Note No 46

(ii) Mukand Sumi Special Steel Limited(earlier known as Mukand Alloy Steel Limited), which was a subsidiary till 30-Mar-18 and became a Joint Venture w.e.f. 30-Mar-18, the effects of fair value have been considered in the FVTOCI and Profit or Loss, respectively

(iii) Accordingly, other income and OCI for the Year includes Rs. 263.59 Crore and Rs.39.71 Crore respectively towards change in fair value of non-current investments.

(b) 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.On adoption to measure its non-current investments in equity shares in subsidiaries companies at FVTOCI, the exposure of Rs. 26.25 Crores has been accounted through FVTOCI. Also refer Note No. 46

(c) The Company has an investment of Rs.61.63 crore in equity shares of Vidyavihar Containers Ltd. (VCL) a wholly owned Subsidiary and had provided for diminution in the value of investments upto an amount of Rs.27.73 crore upto 31st March 2017.On adoption to measure its non-current investments in equity shares in subsidiaries companies at FVTOCI, the balance of Rs. 33.90 Crores has been accounted through FVTOCI.

Notes (contd.)

(5)	OTHER FINANCIAL ASSETS - NON CURRENT	31-Mar-18	31-Mar-17	01-Apr-16
	Unsecured, considered good, unless otherwise specified	**Rs in crore**	Rs in crore	Rs.in crore
	a Deposits for Premises , Utilities etc	**15.21**	12.00	12.26
	b Margin Money Deposits (under lien with Banks)	**14.54**	12.85	1.32
	c Others	**0.04**	0.04	0.04
		29.79	24.89	13.62

(6)	DEFERRED TAX ASSET / LIABILITY		31-Mar-18	31-Mar-17	01-Apr-16
			Rs in crore	Rs in crore	Rs.in crore
	MAT Entitlement Credit		**37.89**	32.38	47.90
	Deferred Tax Assets	**222.79**		157.94	200.32
	Deferred Tax Liabilities	**(349.00)**		(128.39)	(122.43)
			(126.21)	29.55	77.89
			(88.32)	61.93	125.79

Rs in crore

		Recognised in					Recognised in					As at
		As at 1-Apr-16	**PL**	**OCI**	**Equity / Balance Sheet**	**Total**	**As at 31-Mar-17**	**PL**	**OCI**	**Equity / Balance Sheet**	**Total**	**31-Mar-18**
A	**Deferred Tax Asset**											
1	Unabsorbed Depn/ Business Loss	150.38	(38.07)	-	-	(38.07)	112.31	85.94	-	(19.12)	66.82	179.13
2	Taxes, Duties Cess, Interest to banks	0.25	-	-	-	-	0.25	(20.30)	-	20.30	-	0.25
3	Employee benefit	12.89	2.28	-	-	2.28	15.17	(0.55)	-	(1.03)	(1.58)	13.60
4	Provision for Doubtful Debts / Expected Credit Loss	37.57	(6.76)	-	-	(6.76)	30.81	(0.49)	-	-	(0.49)	30.32
5	Effect of measurement of the financial instruments	(0.77)	0.17	-	-	0.17	(0.60)	-	-	-	-	(0.60)
6	Others	-	-	-	-	-	-	-	-	0.09	0.09	0.09
		200.32	**(42.38)**	**-**	**-**	**(42.38)**	**157.94**	**64.60**	**-**	**0.24**	**64.84**	**222.79**
B	**Deferred Tax Liability**											
1	Depreciation	118.80	(4.24)	-	-	(4.24)	114.57	(3.31)	-	(19.65)	(22.96)	91.61
2	Effect of measurement of the financial instruments	3.63	9.01	0.05	-	9.06	12.69	54.30	11.28	176.71	242.29	254.98
3	Actuarial gain/ (loss) on employee defined benefit funds recognized in other comprehensive income, net of tax	-	-	0.98	-	0.98	0.98	-	1.02	-	1.02	2.00
4	Others	-	0.15	-	-	0.15	0.15	(4.16)	-	4.42	0.26	0.41
		122.43	**4.92**	**1.03**	**-**	**5.95**	**128.39**	**46.83**	**12.30**	**161.48**	**220.61**	**349.00**
	Net Asset / (Liability)	**77.89**	**(47.30)**	**(1.03)**	**-**	**(48.33)**	**29.55**	**17.77**	**(12.30)**	**(161.24)**	**(155.77)**	**(126.21)**
MAT Entitlement Credit												
	Opening balance	**47.90**					**47.90**					**32.37**
	Written Off		(15.53)			(15.53)	(15.53)	-				
	Provided							5.52			5.52	5.52
	Closing Balance	**47.90**	**(15.53)**	**-**	**-**	**(15.53)**	**32.37**	**5.52**	**-**	**-**	**5.52**	**37.89**

a The Company is reasonably certain of availing the above MAT credit in future years against the normal tax expected to be paid in future years.

b The Company has recognised deferred tax assets on carried forward tax losses. The company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The company is expected to generate taxable income from 2018-19 onwards. The losses can be carried forward for a period of 8 years as per local tax regulations and the company expects to recover the losses.

Notes (contd.)

(7)	INCOME TAX ASSETS	31-Mar-18	31-Mar-17	01-Apr-16
		Rs in crore	Rs in crore	Rs.in crore
	Advance payment of Income-tax	60.28	48.70	43.48
	Provision for Taxation	(10.56)	(5.19)	(5.19)
	Income Tax (Net)	49.72	43.51	38.29
		49.72	43.51	38.29

(8)	OTHER NON-CURRENT ASSETS	31-Mar-18	31-Mar-17	01-Apr-16
		Rs in crore	Rs in crore	Rs.in crore
	Capital Advances	10.97	14.72	15.77
	Lease Hold Land - Long Term Prepaid Rental Expenses	25.38	25.70	26.03
	Balance with Government Authorities $	37.11	43.79	46.91
		73.46	84.21	88.71

$ Includes National Savings Certificates of the cost of Rs 44,000/-. (31-Mar-17 Rs. 44,000/- ; 01-Apr-16 Rs 44,000/-) deposited with government departments.

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.

(9)	INVENTORIES	31-Mar-18	31-Mar-17	1-Apr-16
		Rs in crore	Rs in crore	Rs.in crore
	Raw Materials	97.67	100.10	60.19
	Materials in Transit	153.52	93.87	51.34
	Total Raw Materials	251.19	193.97	111.53
	Work-in-Progress	56.57	117.15	130.68
	Contracts in Progress [Refer Note No. 25]	5.44	9.38	6.46
	Finished Goods	712.04	981.60	855.59
	Stores, Spares, Components and Engineering Construction Materials	61.86	35.16	41.59
	Materials in Transit	16.51	4.02	10.41
	Total Stores, Spares, Components and Engineering Construction Materials	78.37	39.18	52.00
	Fuel	1.28	1.23	1.11
	Loose Tools	0.13	0.09	0.08
		1,105.02	1,342.60	1,157.45

a Certain Inventories stated above are hypothecated to working capital lenders. Also refer Note No. 17 & 20.

b Amounts recognised in Statement of Profit and Loss:-

Write-down of Stores & Spares to net realisable value amounted to Rs 0.18 crore (31-Mar-17 Rs 0.15 crore). These were recognised as an expense during the year and included in the Statement of Profit and Loss.

(10)	TRADE RECEIVABLES	31-Mar-18	31-Mar-17	01-Apr-16
		Rs in crore	Rs in crore	Rs.in crore
	Unsecured			
	Considered Good	310.16	1,010.85	1,041.27
	Considered Doubtful	54.61	61.75	74.91
		364.77	1,072.60	1,116.18
	Less : Provision for Expected Credit Loss	(54.61)	(61.75)	(74.91)
		310.16	1,010.85	1,041.27

Notes (contd.)

a No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

b The company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 47.

c For receivables secured against borrowings, see Note 17 & 20

d For receivables due from related parties, refer Note 39

			31-Mar-18	31-Mar-17	01-Apr-16
(11)	**CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES**		**Rs in crore**	Rs in crore	Rs in crore
(11.1)	**CASH AND CASH EQUIVALENTS**				
a	Balances with Banks in Current Accounts	**0.84**		6.49	5.09
b	Cheques on hand	**1.18**		3.47	0.40
c	Cash on hand	**0.06**		0.04	0.04
d	Remittances-in-Transit	**9.00**		6.69	9.54
e	Others	**-**		0.06	0.06
(11.2)	**OTHER BANK BALANCES**		**11.08**	16.75	15.13
a	Unpaid Dividend Accounts	**0.06**		0.11	0.11
b	Margin Money Accounts #	**42.83**		44.10	48.14
c	Deposit Accounts	**4.57**		0.45	0.56
			47.46	44.66	48.81
			58.54	61.41	63.94

under lien with Banks

			31-Mar-18	31-Mar-17	01-Apr-16
(12)	**LOANS - CURRENT**		**31-Mar-18**	31-Mar-17	01-Apr-16
	Unsecured, considered good, unless otherwise specified		**Rs in crore**	Rs in crore	Rs in crore
	Loans to Subsidiaries : [Refer Note (b)]				
	Vidyavihar Containers Ltd.			13.23	13.23
	Less : Provision for Expected Credit Loss			(9.92)	(4.63)
				3.31	8.60
	Loans to Others	**55.68**		12.58	13.47
	Less : Provision for Expected Credit Loss	**(7.50)**		-	-
			48.18	12.58	13.47
			48.18	15.89	22.07

(a) No loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(b) The Company had outstanding balances of loans amounting to Rs.13.23 crore due from Vidyavihar Containers Ltd, a wholly owned Subsidiary, which has been written off during the year ended 31-Mar-18 and provision for Expected Credit Loss made earlier has been written back.

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

(c) The Company has investments of Rs. 0.19 crore (31-Mar-17 Rs.0.19 crore; 01-Apr-16 Rs 0.19 crore) in equity shares of Bombay Forgings Limited (BFL), and has trade receivables/ advances recoverable from BFL which stood at Rs.86.30 crore as at 31-Mar-18 (31-Mar-17 Rs. 81.82 crore; 01-Apr-16 Rs Rs 78.09 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered fixed assets of BFL as at 31st March, 2018 which was at Rs. 69.24 crore , value of current assets aggregating Rs.54.10 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.

(d) For details of loans and advances given to related parties, please refer Note No. 39.

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

Rs.in crore

		Outstanding amount		Maximum amount during the year	
		As at	As at		
	Name of the Party	**31-Mar-18**	31-Mar-17	**2017-18**	2016-17
			(1-Apr-16)		(2015-16)
i]	Subsidiaries:				
	Vidyavihar Containers Ltd. – interest waived.	**-**	13.23	**13.23**	13.23
			(13.23)		(18.23)

Notes (contd.)

(13)	OTHER FINANCIAL ASSETS - CURRENT		31-Mar-18	31-Mar-17	01-Apr-16
	Unsecured, considered good, unless otherwise specified		**Rs in crore**	Rs in crore	Rs in crore
	Employee Advances		**0.41**	0.27	0.30
	Interest Receivable	**22.23**		353.46	216.52
	Less : Provision for Expected Credit Loss	**(0.84)**		-	(13.95)
			21.39	353.46	202.57
	Amount recoverable from Mukand Sumi Special Steel Ltd. towards Slump Sale Consideration (Refer Note 41) & Other Trade dues		**291.57**	-	-
	Unbilled Revenue	**276.77**		270.07	296.93
	Less : Provision for Expected Credit Loss	**(25.22)**	**-**	(27.81)	(27.81)
			251.55	242.26	269.12
	Tender Deposits		**-**	0.18	0.18
			564.92	596.17	472.17

(14)	OTHER CURRENT ASSETS		31-Mar-18	31-Mar-17	01-Apr-16
			Rs in crore	Rs in crore	Rs in crore
	Export Benefits		**2.58**	2.79	2.02
	Lease Hold Land Rentals due next year		**0.33**	0.33	0.33
	Advances recoverable in cash or in kind or for value to be received	**64.59**		154.21	166.15
	Considered Doubtful	**0.23**		0.23	0.23
	Less : Provision	**(0.23)**		(0.23)	(0.23)
			64.59	154.21	166.15
	Balances with Government Authorities		**16.22**	5.21	4.75
			83.72	162.54	173.25

(15)	SHARE CAPITAL	31-Mar-18	31-Mar-17	01-Apr-16
		Rs in crore	Rs in crore	Rs in crore
	Authorised			
	153,000,000 Equity Shares of Rs.10/- each	**153.00**	153.00	153.00
		153.00	153.00	153.00
	Issued			
	146,273,934* Equity Shares of Rs.10/- each	**146.27**	146.27	146.27
	Total issued share capital	**146.27**	146.27	146.27
	* includes 28,031 Equity Shares which have been kept in abeyance by the Stock Exchange Authorities			
	Subscribed and fully paid up			
	141,405,861 Equity Shares of Rs.10/- each	**141.41**	141.41	141.41
		141.41	141.41	141.41
	Add: Forfeited shares (amounts originally paid up)	**0.01**	0.01	0.01
	Total subscribed and fully paid-up share capital	**141.42**	141.42	141.42

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

Equity shares	31-Mar-18		31-Mar-17		1-Apr-16
	Nos. in crore	**Rs.in crore**	Nos. in crore	Rs.in crore	Rs.in crore
At the beginning of the period	**14.14**	**141.41**	14.14	141.41	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	141.41

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 2018, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2017 : Rs. Nil) (31 March 2016 : Rs. Nil)..

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

c. The Company does not have any holding company.

d. 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.

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

	31-Mar-18	31-Mar-17	1-Apr-16
Equity Shares of Rs. 10/- each fully paid	**Numbers / % holding**	Numbers / % holding	Numbers / % holding
Jamnalal Sons Pvt. Ltd.	**28,334,773**	26,293,322	26,293,322
	20.04%	18.59%	18.59%
Life Insurance Corporation of India	**5,345,785**	7,228,076	7,228,076
	3.78%	5.11%	5.11%
Bajaj Holdings & Investments Ltd.	**8,113,564**	8,113,564	8,113,564
	5.74%	5.74%	5.74%
Baroda Industries Pvt. Ltd.	**15,726,616**	15,726,616	15,726,616
	11.12%	11.12%	11.12%
Niraj Bajaj	**11,786,730**	11,786,730	11,802,997
	8.34%	8.34%	8.35%
Rajesh V. Shah	**7,200,842**	7,200,842	7,200,842
	5.09%	5.09%	5.09%

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

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

h. 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.

Notes (contd.)

(16) OTHER EQUITY		31-Mar-18 Rs in crore	31-Mar-17 Rs in crore	01-Apr-16 Rs in crore
Capital Reserve :				
As per last Account (Rs 47,439/-) (31-Mar-17 Rs 47,439/-; 01-Apr-16 Rs 47,439/-))				
Capital Redemption Reserve:				
As per last Account		**3.00**	3.00	3.00
Securities Premium Reserve :				
As per last Account	**299.63**		299.63	299.63
Less : Past losses adjusted during the year in terms of Scheme of Arrangement & Amalgamation [Refer Note 41 (I)]	**(199.31)**		-	-
		100.32	299.63	299.63
General Reserve :				
As per last Account		**234.78**	234.78	234.78
Retained Earnings :				
Balance of Profit / (Loss) as per last Account	**(278.28)**		(289.52)	(289.52)
Profit / (Loss) For the year	**44.06**		11.24	
Adjustments on account of transfer of Alloy Steel Rolling & Finishing Business [Refer Note 41 (I)]	**16.71**			
Past losses adjusted against Securities Premium in terms of Scheme of Arrangement & Amalgamation [Refer Note 41 (I)]	**199.31**		-	-
		(18.20)	(278.28)	(289.52)
Equity Instruments through Other Comprehensive Income				
Balance as per last Account	**(41.27)**		(17.42)	(17.42)
Fair value gain accounted at the beginning of the year	**681.11**			
For the year	**28.43**		(23.85)	-
		668.27	(41.27)	(17.42)
Remeasurement of defined benefit obligation through Other Comprehensive Income				
Balance as per last Account	**2.19**			
For the year	**2.28**		2.19	-
		4.47	2.19	-
		992.64	220.05	230.47

(17) BORROWINGS - NON CURRENT		31-Mar-18 Rs in crore	31-Mar-17 Rs in crore	01-Apr-16 Rs.in crore
I SECURED LOANS				
Term Loans :				
- from Banks	**60.03**		168.95	240.27
- from Others	**89.47**		160.94	195.49
		149.50	329.89	435.76
Less : Transaction costs on Borrowings		**(0.57)**	(1.68)	(0.54)
Total Secured Loans		**148.93**	328.21	435.22
II Preference Share Liability				
5,626,320 0.01% Cumulative Redeemable Preference Shares of Rs 10/- each, fully paid up		**3.97**	3.59	3.24
III UNSECURED LOANS				
(a) Fixed Deposits	**116.85**		99.67	30.11
Less : Transaction costs on Borrowings	**(0.44)**		(0.82)	(0.22)
	116.41		98.85	29.89
(b) Long term loans from Companies	**509.78**		1,217.85	1,116.00
Total Unsecured Loans		**626.19**	1,316.70	1,145.89
Total Borrowings		**779.09**	1,648.50	1,584.35

(17) NATURE OF SECURITY & TERMS OF REPAYMENT OF BORROWINGS - NON CURRENT

Term Loans

		As at 31-Mar-18			As at 31-Mar-17			As at 1-Apr-16			Terms of Repayment		Nature of Security
I)	Original Amount	**Non-current**	**Current**	**Total Rs crore**	Non-current	Current	Total Rs crore	Non-current	Current	Total Rs crore	Monthly Installments	Commencing From	
1	From Banks:												
I	50.00	**17.71**	**12.50**	**30.21**	30.21	12.84	43.05	43.05	6.95	50.00	36	Nov.'2016	First pari-passu charge against mortgage/ hypothecation of Company's 40.47 hectare of 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 186 acre 10 gunthas of freehold land, immovable and movable fixed assets both present and future of the Company at its existing steel plant at Ginigera/Kankapura, Dist. Ginigera in the State of Karnataka except assets given as security for term loans at 1(VII), 2(XVII) to (XIX) below. These loans are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.
II	50.00	**9.69**	**16.68**	**26.37**	26.37	16.34	42.71	42.71	7.29	50.00	48	Aug.'2016	
III	50.00	**16.67**	**12.43**	**29.10**	29.17	12.50	41.67	41.67	8.33	50.00	48	Sept.'2016	
IV	50.00		**30.80**	**30.80**	30.80	14.40	45.20	44.00	6.00	50.00	42	Oct.'2016	
V	50.00		**28.40**	**28.40**	28.40	14.40	42.80	41.60	8.40	50.00	42	Dec.'2016	
VI	30.00	**15.96**	**8.04**	**24.00**	24.00	3.00	27.00	27.25	2.75	30.00	60	May'2016	Mortgage of two residential premises at Mumbai.
VII	35.00	**-**	**-**	**-**	-	-	-	-	6.99	6.99	60	Apr.'2012	Hypothecation of plant and machinery and other moveable assets of captive power plant at Ginigera/Kanakapura, Dist. Ginigera in State of Karnataka.
2	From Other Parties :												
I	75.00	**-**	**-**	**-**	-	9.22	9.22	9.38	27.50	36.88	36	Aug.'2014	Mortgage of 50 acres of lease hold land at Dighe, Thane
II	60.00	**-**	**10.48**	**10.48**	10.47	21.97	32.44	32.77	18.76	51.53	36	Oct.'2015	Mortgage of 50 acres of lease hold land at Dighe, Thane and 43.14 acres of leasehold land at Sinnar Dist - Nashik in the state of Maharashtra.
III	50.00	**-**	**-**	**-**	-	2.00	2.00	2.00	48.00	50.00	13	April'2016	
IV	75.00	**5.25**	**28.12**	**33.37**	33.36	25.05	58.41	58.97	16.03	75.00	36	July'2016	
V	75.00	**26.43**	**25.66**	**52.09**	52.06	22.94	75.00	75.00	-	75.00	36	April'2017	
VI	50.00	**31.40**	**15.09**	**46.49**	46.48	3.52	50.00	-	-	-	36	Jan.'2018	
VII	100.00	**-**	**-**	**-**	-	100.00	100.00	-	-	-	6	Sept.'2017	
VIII	60.00	**-**	**60.00**	**60.00**	-	-	-	-	-	-	6	April'2018	
IX	50.00	**-**	**-**		-	-	-	-	14.40	14.40	36	Nov.'2013	Mortgage of 50 acres of lease hold land at Dighe, Thane
X	50.00	**-**	**-**	**-**	-	-	-	-	11.22	11.22	36	Jan.'2014	
XI	15.00	**-**	**-**	**-**	-	1.37	1.37	1.37	7.84	9.21	24	June'2015	Mortgage of 5 acres of leasehold land at Dighe Thane.
XII	11.00	**-**	**-**	**-**	-	4.03	4.03	4.03	4.37	8.40	30	Aug.'2015	Extension of mortgage of 5 acres Leasehold Land at Dighe Thane and residential premises at Delhi.
XIII	8.68	**-**	**-**	**-**	-	3.50	3.50	3.50	3.39	6.89	30	Sept.'2015	Mortgage of residential premises at Mumbai.
XIV	14.00	**-**	**-**						6.14	6.14	30	Oct.'2014	Mortgage of residential premises at Delhi.
XV	25.00	**7.45**	**10.03**	**17.48**	17.48	7.52	25.00	-	-	-	30	June.'2017	Mortgage of residential premises at Mumbai, residential premises at Delhi and 5 acres of lease hold land at Dighe,Thane.
XVI	25.00	**16.68**	**8.32**	**25.00**	-	-	-	-	-	-	30	May'2018	
XVII	50.00	**-**	**-**	**-**	-	1.27	1.27	1.27	14.05	15.32	58	July'2012	Hypothecation of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at 1 above & for working capital facilities.
XVIII	37.45	**-**	**-**	**-**	-	7.20	7.20	7.19	9.56	16.75	58	Feb.'2013	Hypothecation of Plant & Machinery of Sinter Plant, Hot Blast Stoves and Pulverising Plant at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka
XIX	6.42	**2.26**	**1.58**	**3.84**	1.09	0.30	1.39	-	-	-	36	April'2017	Hypothecation of Plant & Machinery - Ultrasonic Testing Machine at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka .
	1,117.55	149.50	268.13	417.63	329.89	283.37	613.26	435.76	227.97	663.73			

Note : Rate of interest on above loans is in the range 11.85% p.a. to 15.00% p.a.

(II) Terms of redemption of CRPS

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

CRPS of Rs. 10/- each fully paid	**31-Mar-18** **Number / % holding**	31-Mar-17 Number / % holding	01-Apr-16 Number / % holding
Life Insurance Corporation of India	595,545	595,545	595,545
% holding	10.58%	10.58%	10.58%
Jamnalal Sons Pvt. Ltd.	474,064	474,064	474,064
% holding	8.43%	8.43%	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.

(III) For details of loans received from related parties, please refer Note No. 39.

(IV) The Company has not defaulted in the payment of interest and installments of the loans as at 31-Mar-18.

(18) OTHERS FINANCIAL LIABILITIES - NON CURRENT	**31-Mar-18** **Rs in crore**	31-Mar-17 Rs in crore	01-Apr-16 Rs.in crore
Security Deposits	**4.00**	4.00	3.53
	4.00	4.00	3.53

(19) PROVISIONS - NON CURRENT	**31-Mar-18** **Rs in crore**	31-Mar-17 Rs in crore	01-Apr-16 Rs.in crore
for Employee Benefits	**35.17**	37.33	41.02
	35.17	37.33	41.02

(20) BORROWINGS - CURRENT	**31-Mar-18** **Rs in crore**	31-Mar-17 Rs in crore	01-Apr-16 Rs.in crore
I SECURED LOANS			
Working Capital Loans from Banks	**537.58**	640.07	606.56
Total Secured Loans	**537.58**	640.07	606.56
II UNSECURED LOANS			
Short Term Loans from Companies	**341.74**	308.63	275.50
Total Unsecured Loans	**341.74**	308.63	275.50
Total Borrowings	**879.32**	948.70	882.06

(20) SHORT TERM BORROWINGS - SECURED

Working Capital Facilities

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. 17 (I) (1).

Assets excluded from security given to secured lenders at Note No. 17 & 20.

Note : Security given for the term loans at Note No. 17 (I), and working capital facilities mentioned above exclude :

50 acres, 4 gunthas, 8 annas 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.17 (I) (2) (I) to (XII)

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

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. 17 (I) (2) (XVIII).

Plant and Machinery at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.17 (I) (2) (XIX).

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

Plant and machinery and other moveable assets of captive power plant at Ginigera/Kanakapura, Dist. Ginigera in State of Karnataka.

All other Property Plant & Equipment 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.

b. The Company has not defaulted in the payment of interest and installments of the loans as at 31-Mar-18.

Notes (contd.)

(21)	TRADE PAYABLES	31-Mar-18	31-Mar-17	01-Apr-16
		Rs in crore	Rs in crore	Rs.in crore
	Acceptances	299.67	421.14	374.45
	Trade Payables	644.37	443.06	463.34
		944.04	864.20	837.79

(a) For Payables to related parties, refer Note 39

(b) Disclosure in respect of creditors registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) is as under:

				Rs.in crore
		As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
The principal amount and the interest due thereon remaining unpaid to suppliers				
a	i) Principal	2.13	0.61	1.88
	ii) Interest due thereon		-	0.07
b	i) Interest actually paid under section 16 of the MSMEDA	-	-	
	ii) Amount of payment made to suppliers beyond the appointed day		-	3.99
c	Amount of interest due and payable for the period of delay in making payment (which have been paid and beyond the appointed day during the year) but without adding interest under MSMEDA	-	0.09	0.07
d	Amount of interest accrued and remaining unpaid	-	0.09	0.07
e	Amount of further interest remaining due and payable even in the succeeding years, until such dates when the interest dues above are actually paid to the small interprise, for the purpose of disallowance of a deductable expenditure under MSMEDA	-	-	-

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

(22)	OTHER FINANCIAL LIABILITIES - CURRENT	31-Mar-18	31-Mar-17	01-Apr-16
		Rs in crore	Rs in crore	Rs in crore
	Current Maturities of long-term debt	297.19	283.37	269.70
	Less : Transaction costs on Borrowings	(3.06)	(2.64)	(2.79)
		294.13	280.73	266.91
	Interest accrued but not due on borrowings	21.40	48.12	45.66
	Interest accrued and due on borrowings	6.33		
	Unpaid Dividends (represents amounts unclaimed)*	0.06	0.11	0.11
	Unpaid matured deposits (represents amounts unclaimed)*	0.60	1.34	1.89
	Liability towards Employee Benefits	9.13	8.77	8.76
	Acceptances / Payables for Capital Goods	15.82	19.77	17.99
	Others	1.59	2.35	1.96
		349.06	361.19	343.28

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

(23)	OTHER CURRENT LIABILITIES	31-Mar-18	31-Mar-17	01-Apr-16
		Rs in crore	Rs in crore	Rs.in crore
	Advances against Orders and Engineering Contracts	107.15	62.39	44.98
	Statutory Dues	8.02	105.27	93.08
	Other Payables	0.21	0.16	0.14
		115.38	167.82	138.20

Notes (contd.)

(24) PROVISIONS - CURRENT	31-Mar-18	31-Mar-17	01-Apr-16
	Rs in crore	Rs in crore	Rs.in crore
for Employee Benefits	7.90	8.63	7.75
for Warranty Costs [Refer Note (a)]	0.46	0.38	0.27
	8.36	9.01	8.02

(a) Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

	31-Mar-18	31-Mar-17	1-Apr-16
	Rs in crore	Rs in crore	Rs in crore
Opening Balance	0.38	0.27	0.61
Provision recognised during the year	0.46	0.38	0.27
Amount utilised during the year	(0.30)	(0.46)	(0.45)
Amount reversed/ short provision during the year	(0.08)	0.19	(0.16)
Closing Balance	0.46	0.38	0.27

(25) REVENUE FROM OPERATIONS		2017-18	2016-17
		Rs in crore	Rs in crore
I Sale of Products and Services			
(1) Special Alloy Steel Products	1,387.44		1,776.61
(2) Stainless Steel Products	1,174.49		860.79
(3) Job Works & Other Services	452.99		188.89
(4) Engineering Contracts	68.24		152.43
Total		3,083.16	2,978.72
Sales is net of early payment discounts aggregating Rs. 0.95 crore (previous year Rs. 10.92 crore)			
II Other Operating Revenues			
(a) Sale of Scrap and Sundries		13.05	6.50
(b) Sales-tax/VAT Refunds		-	1.11
(c) Insurance Claims etc.		0.39	1.19
(d) Credit balances appropriated		0.89	2.10
(e) Other Miscellaneous receipts		8.86	5.57
(f) Excess provisions written back (net)		0.29	(0.05)
(g) Surplus on account of sale of assets		0.01	0.05
Total Other Operating Revenues		23.49	16.47
Total Sales & Services and Other Operating Revenues		3,106.65	2,995.19

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

		2017-18	Rs.in crore 2016-17
(i)	The amount of Contract revenue recognised as revenue during the year.	1.42	-
(ii)	The aggregate amount of costs incurred and recognised profits (less recognised losses) upto close of the year.	751.73	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	57.36	48.36

(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. The exposure on this account as at 31st March 2018 aggregated Rs.123.97 Crore as compared to Rs.113.54 Crore as at 31st March 2017. The outcome of the Road Construction activity cannot be estimated with certainty at present. The amount of total claims excluding interest with NHAI now aggregates Rs.288.23 Crore (as at 31.03.2017: Rs.288.42 Crore). Considering the bulk of these claims are now being processed at various appellate fora and all the losses expected are already recognized till the close of the period, in the opinion of the management, all the claims are fully realizable as also opined by a legal Consultant. These claims are likely to be realized progressively over a period of next 2 to 3 years.

(c) Disclosure regarding Income from Contracts of Industrial Machinery Division to which Ind AS 11 applies :

		Rs.in crore
	2017-18	2016-17
The amount of Contract revenue recognised as revenue during the year.	**66.82**	152.43
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto 31.03.2018	**1,843.45**	1,783.18
The amount of advances received (Gross)	**16.84**	11.91
The amount of retentions (included in sundry debtors) (net balance)	**91.75**	78.27
Amount due to customers	**-**	-
Amount due from customers	**210.18**	204.95

(26) OTHER INCOME

		2017-18	2016-17
		Rs in crore	Rs in crore
(a)	Interest Received - From Customers/Banks/Others	**25.25**	156.33
(b)	Rent received	**1.17**	1.67
(c)	Net gains on Fair value changes of Equity Instruments	**263.59**	43.72
(d)	Surplus on account of sale of Premises	**-**	0.69
(e)	Delay Payment Charges Received	**9.28**	16.14
(f)	Dividends (Gross) : from Subsidiary	**1.64**	1.42
Total Other Income		**300.93**	219.97

(27) RAW MATERIALS CONSUMED

	2017-18	2016-17
	Rs in crore	Rs in crore
Opening Stocks	**100.10**	60.19
Add : Purchases	**1,769.75**	1,193.38
Add / Less : Materials on loan / (Sales) [net]	**-**	(0.02)
	1,869.85	1,253.55
Less : Closing Stocks	**97.67**	100.10
	1,772.18	1,153.45

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):

	2017-18	2016-17
	Rs.in crore	Rs.in crore
Important basic raw materials:		
Coke including Coke Fines	**528.60**	332.82
Iron Ore including Iron Ore Fines *	**231.42**	154.90
Scrap & Pig Iron #	**634.52**	365.12
Ferro Alloys	**365.85**	290.71
Structural & other Steel @	**11.79**	9.90
Other raw materials	**-**	-
	1,772.18	1,153.45

Notes (contd.)

	2017-18		2016-17	
	% of total Consumption	**Amount Rs.in crore**	% of total Consumption	Amount Rs.in crore
Imported	**64.00%**	**1,134.11**	53.68%	619.15
Indigenous	**36.00%**	**638.07**	46.32%	534.30
	100.00%	**1,772.18**	100.00%	1,153.45

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

Excludes Internal Arisings

@ Includes for Capital jobs

(28) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS /CONTRACTS IN PROGRESS

	2017-18	2016-17
	Rs in crore	Rs in crore
Opening Stocks	**1,108.13**	992.73
Less :		
Closing Stocks including of ASRFB	**1,000.82**	1,108.13
Adjustments for Stocks of ASRFB undertaking transferred [Refer Note 41]	**96.41**	-
(Increase)/Decrease in Stocks	**10.90**	(115.40)
(Increase)/Decrease in Excise Duty on Opening & Closing Stocks of Finished Goods, net of Excise Duty on Stocks of ASRFB undertaking transferred	**(65.37)**	10.57
(Increase)/Decrease in Stocks	**(54.47)**	(104.83)

(29) EMPLOYEE BENEFITS EXPENSE

	2017-18	2016-17
	Rs in crore	Rs in crore
Salaries, Wages, Bonus, Compensation and Other Payments	**149.86**	140.58
Contribution towards Employees' State Insurance, Provident and Other Funds	**18.23**	20.03
Welfare Expenses	**14.38**	13.98
	182.47	174.59

(30) FINANCE COSTS

	2017-18	2016-17
	Rs in crore	Rs in crore
Interest Expense	**264.02**	421.64
Less :		
Interest Capitalised	**1.61**	2.13
	262.41	419.51
Other Transaction costs on borrowings	**4.84**	5.27
	267.25	424.78

(31) OTHER EXPENSES :

		2017-18	2016-17
		Rs in crore	Rs in crore
Stores, Spares, Components,Tools, etc. consumed		**480.45**	439.49
Power and Fuel consumed		**205.92**	191.35
Machining and Processing charges		**202.09**	210.37
Sub-contracting expenses		**53.78**	55.12
Other Manufacturing expenses		**56.01**	63.50
Rent (net)		**0.65**	0.59
Repairs:			
to Buildings	**2.49**		2.67
to Plant and Machinery (b)	**9.75**		7.94
to Other assets	**2.79**		2.83
		15.03	13.44

Notes (contd.)

(31)	OTHER EXPENSES :	2017-18	2016-17
		Rs in crore	Rs in crore
	Rates and Taxes	9.64	3.95
	Insurance	1.45	1.38
	Commission	1.70	3.93
	Freight, Forwarding and Warehousing (net)	4.51	75.26
	Directors' Fees and Travelling Expenses	0.29	0.35
	Bad Debts,debit balances and claims written off	19.07	8.53
	Provision for Expected Credit Loss (Net)	(11.31)	(21.82)
	Provision for diminution in value of investments	-	0.85
	Loss on assets sold	0.06	0.02
	Loss on assets discarded	3.38	-
	Amortisation of Leasehold Land	0.33	0.33
	Loss on variation in foreign exchange rates (net)	8.79	1.62
	Miscellaneous Expenses (a)	50.93	47.64
		1,102.77	1,095.90
	(a) Payment to Auditors		
	(i) As Auditors	0.39	0.39
	(ii) For Taxation Matters	0.04	0.05
	(iii) For other services	0.22	0.15
	(iv) For reimbursement of expenses	0.01	0.02
		0.66	0.61

(32)	EXCEPTIONAL ITEMS (NET)	2017-18	2016-17
		Rs in crore	Rs in crore
	Expenditure in connection with transfer of ASFRB	(13.46)	-
	Exceptional Items (net)	(13.46)	-

(33)	INCOME TAX EXPENSE	2017-18	2016-17
		Rs in crore	Rs in crore
	Profit before Tax	25.84	74.08
	Applicable Tax Rate	30.90%	30.90%
	Tax Expense	7.98	22.89
	Tax effect of :		
	Permanent disallowances	0.20	0.26
	Income Taxed at different rate	(27.15)	(4.50)
	Lapsing of past losses / MAT Entitlement	(0.42)	49.21
	Others	1.17	(5.02)
	Tax expenses recognised in Profit or Loss	(18.22)	62.84

(34)	OTHER COMPREHENSIVE INCOME	2017-18	2016-17
		Rs in crore	Rs in crore
	Items that will not be reclassified to Profit or loss (net of tax)		
	Actuarial Gain on defined benefit Obligations	3.30	3.17
	Net gains on Fair value changes of Equity Instruments	39.71	(23.80)
	Less : Deferred tax	(12.30)	(1.03)
	Other Comprehensive Income	30.71	(21.66)

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

	2017-18	2016-17
		Rs.in crore
Net Profit/(Loss) After Taxation as per Statement of Profit & Loss	**44.06**	11.24
Less : Dividends and tax thereon	**-**	-
Net Profit/(Loss) for calculation of basic / diluted EPS [including Exceptional Items (net)]	**44.06**	11.24
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)	**3.12**	0.79

(36) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018, March 31, 2017 and as at April 1, 2016.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and bank balances . Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio at March 31, 2018 is as follows..

Particulars	**31-Mar-18**	31-Mar-17	01-Apr-16
	Rs.in crore	Rs.in crore	Rs.in crore
Borrowings			
Long term and Short term borrowings	**1,658.41**	2,597.20	2,466.41
Current maturities of Long term borrowings	**294.13**	280.73	266.91
Less: Cash & Bank Balances	**(58.54)**	(61.41)	(63.94)
Adjusted net debt	**1,894.00**	2,816.52	2,669.38
Total Equity	**1,134.06**	361.47	371.89
Adjusted net debt to adjusted equity ratio	**1.67**	7.79	7.18

(37)

(a) Contingent Liabilities not provided for :

		31-Mar-18	31-Mar-17	1-Apr-16
		Rs.in crore	Rs.in crore	Rs.in crore
(i)	Disputed matters in appeal/contested in respect of:			
	- Income Tax *	**19.15**	19.96	19.96
	- Excise Duty, Customs Duty etc.	**7.82**	8.56	4.55
	- Sales Tax, Works Contract Tax etc. **	**1.73**	0.33	4.90
	- Other matters	**9.63**	1.85	0.24
	* included in this amount (not provided in the Accounts) is the liability under Sec 115JB of the Income Tax Act, 1961 for Assessment Year 2005-06 as the Company's appeal is pending disposal. Company places reliance on certain judicial pronouncements and has also obtained a legal opinion on the matter.			
	** In the matter of certain ex-parte assessments completed by Commercial Tax Officer in the State of Uttar Pradesh, Company is advised that liability if any, that may arise will be determined after the matter is remanded to the Assessing Officer and on completion of reassessment proceedings and therefore, the same is not included herein.			
(ii)	Claims against the Company not acknowledged as debt as these are disputed and pending disposal at various fora.	**13.12**	21.06	13.96
	For items (i) & (ii)			
	The Company has taken legal and other steps to protect its interest in respect of these matters, which is based on legal advice and/or precedents in its own/other cases. It is not possible to make any further determination of the liability which may arise in these matters.			
(iii)	Guarantees and Counter guarantees given by the Company on behalf of :-			
	- Other Companies	**138.32**	123.40	124.88

Notes (contd.)

(37)

(a) Contingent Liabilities not provided for :

		31-Mar-18	31-Mar-17	1-Apr-16
		Rs.in crore	Rs.in crore	Rs.in crore
(iv)	Bonds / Undertakings given by the Company under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	**0.66**	0.66	0.66

(v) Arrears of dividend on preference shares for FY 2017-18 Rs.5,627/-, FY 2016-17 Rs.5,627/-, FY 2015-16 Rs.5,627/- and FY 2014-15 Rs. 5,627/- in view of ammendment to section 123 of the Companies Act, 2013.

(vi) 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.

(vii) 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.

(viii) There have been delays in payment of tax deducted at source in earlier years and also in FY2017-18. 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.

(ix) 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.

(b)	**COMMITMENTS**	**31-Mar-18**	31-Mar-17	1-Apr-16
		Rs.in crore	Rs.in crore	Rs.in crore
(i)	Estimated amount of contracts to be executed on capital account and not provided for (net of advances)	**3.75**	17.67	11.93

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

			Rs.in crore
		As at	As at
		31-Mar-18	31-Mar-17
1	For a period not later than one year.	**0.69**	1.40
2	For a period later than one year and not later than five years.	**0.46**	0.37
3	For a period later than five years.	**-**	0.04
	Total	**1.15**	1.81

Lease rentals charged to revenue for the current year Rs. 2.42crore (Previous Year Rs. 2.86 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.

Notes (contd.)

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

		As at 31-Mar-18	As at 31-Mar-17
			Rs.in crore
1	For a period not later than one year.	**0.15**	0.06
2	For a period later than one year and not later than five years.	**0.23**	0.15
3	For a period later than five years.	**-**	-
	Total	**0.38**	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.

(38)

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

	2017-18		2016-17	
	% of total Consumption	**Amount Rs.in crore**	% of total Consumption	Amount Rs.in crore
i) Stores, Spares, etc.				
- Imported	**13.03%**	**62.54**	16.46%	71.96
- Indigenous	**86.97%**	**417.45**	83.54%	365.26
	100.00%	**479.99**	100.00%	437.22
ii) Components				
- Imported	**-**	**-**	-	-
- Indigenous	**100.00%**	**0.46**	100.00%	2.27
	100.00%	**0.46**	100.00%	2.27
		480.45		439.49

		Rs.in crore
(b) Earnings in Foreign Exchange	**2017-18**	2016-17
Exports (F.O.B. Value)	**219.42**	151.08
Dividend	**-**	1.42
Income from Engineering Contracts	**-**	0.38
Freight & Insurance (included in the sale value)	**2.99**	2.18
Others	**0.09**	0.04
	222.50	155.10

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

		Rs.in crore
	2017-18	2016-17
Raw Materials	**1,075.23**	698.79
Stores, Spare Parts, Components and Fuel	**51.68**	55.62
Capital goods	**2.42**	7.20
	1,129.33	761.61

		Rs.in crore
(d) Expenditure in Foreign Currency	**2017-18**	2016-17
(Including amounts capitalised and amounts recovered)		
Interest and Bank charges (Net of tax)	**5.51**	3.72
Technical Consultancy / Services (Net of tax)	**0.04**	0.35
Foreign Travel	**0.17**	0.37
Legal and Professional fees	**-**	0.07
Other matters	**2.23**	0.98
	7.95	5.49

Notes (contd.)

(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.

(39) RELATED PARTY DISCLOSURES

(a) Relationship :

(i) Subsidiaries:

Mukand Global Finance Ltd., Mukand International Ltd. (MIL), Vidyavihar Containers Ltd. (VCL), Mukand International FZE (MIFZE), Mukand Alloy Steels Ltd.upto 30-3-2018 (now known as Mukand Sumi Special Steel Limited), Mukand Vijayanagar Steels Ltd., w.e.f. 30-12-2016 and upto 1-1-2017 and now amalgamated into Mukand Alloy Steel Limited, Whiteleaf Heavy Machinery Pvt.Ltd.,(now known as Mukand Udyogik Yantra Private Limited) upto 28-02-2018, Technosys Industrial Machinery Pvt Ltd.(now known as Mukand Heavy Machinery Private Limited), upto 28-02-2018.

(ii) Other related parties where control exists :

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

(iii) Joint Ventures :

Mukand Vini Mineral Ltd. (MVML).Mukand Sumi Metal Processing Ltd (MSMPL), Mukand Sumi Special Steel Ltd (earlier known as Mukand Alloy Steels Ltd.) with effect from 30-Mar-18 , Hospet Steels Ltd. (HSL).

(iv) Key Management Personnel:

Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah , Prakash Vasantlal Mehta, Vinodchand Sakarchand Shah(Expired on April 8,2018) , Dhirajlal Shantilal Mehta, Narendra Jeewanlal Shah, Naresh Chandra Sharma, Bharti Ram Gandhi, Amit Yadav, Relatives of a Director/ Other KMPS.

(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)	**Related Party Summary**						
(b)	**(i) Details of transactions with the related parties referred in (a) above :**						(Rs. in Crore)
	Nature of transactions	**Related parties as referred in**					
		a (i) above	**a (ii) above**	**a (iii) above**	**a (iv) above**	**a (v) above**	**Total**
1	Purchase of Goods	**20.61**	**22.77**	**55.18**			**98.56**
		29.80	1.82	-			31.62
2	Sale of Goods	**197.59**	**14.90**	**442.08**			**654.57**
		408.87	17.49	-			426.36
3	Transfer of Fixed Assets				**-**		**-**
					0.01		0.01
4	Services Received	**0.30**	**8.74**	**66.83**			**75.87**
		8.27	70.43	-			78.70
5	Services Rendered	**0.11**	**7.93**	**101.05**			**109.09**
		31.38	0.76	-			32.14
6	Remuneration to Key Management Personnel				**6.04**		**6.04**
					5.11		5.11
7	Interest / Dividend Paid / (Received) Net	**-**	**(0.19)**	**0.04**	**0.43 ***	**34.39**	**34.67**
		1.37			0.29 *	76.89	78.55
8	Reimbursement of Expenses - Payments		**-**				**-**
			0.02				0.02
9	Reimbursement of Expenses - Receipts	**-**					**-**
		-					-
10	Finance taken including equity / (re-payment of loans & advances) - Net	**19.45**	**-**		**0.10**	**137.39**	**156.94**
		-	0.25		3.05	46.00	49.30
11	Finance given including equity / (re-payment of loans & advances) - Net	**-**	**2.90**	**0.50**		**0.02**	**3.42**
		0.10				0.01	0.11

Notes (contd.)

(b) (i)	Related Party Summary						
(b)	(i) Details of transactions with the related parties referred in (a) above :						(Rs. in Crore)
	Nature of transactions	Related parties as referred in					
		a (i) above	a (ii) above	a (iii) above	a (iv) above	a (v) above	Total
12	Bad debts / Advances written off / Provision for dimunition in value of investment	**13.23**	**-**	**-**			**13.23**
		(0.01)	7.10	1.41			8.50
13	Balances at the close of the year:						-
	i) Amount Receivable	**35.77**	**86.16**	**326.50**		**0.29**	**448.72**
		10.71	81.71	-		0.27	92.69
	ii) Amount Payable	**38.08**	**8.32**	**27.76**	**4.34 ***		**78.50**
		33.28	2.27	-	3.57 *		39.12
	iii) Amount Receivable in respect of loans & advances	**-**	**18.76**	**5.86**			**24.62**
		13.36	15.60	-			28.96
	iv) Amount Payable in respect of loans & advances					**318.45**	**318.45**
						559.20	559.20
	v) Property deposit taken		**0.07**				**0.07**
			0.07				0.07
14	Guarantees given by the Company	**17.75**	**115.00**				**132.75**
		35.31	115.00				150.31
15	Collateral given on behalf of the Company				#		
					#		

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

* Interest on FDs to relatives of a Director / includes amount payable for FDs / interest thereon Rs. 3.93 crores (previous year Rs 3.34 crore)

2,513,000 Equity Shares of the Company.

The Alloy Steel Rolling & Finishing Business undertaking was transferred to Mukand Sumi Special Steel Ltd (MSSSL) (earlier known as Mukand Alloy Steel Ltd) as per Scheme of Arrangement and Amalgamation. Effect to this scheme has been given on 15th January 2018. Therefore, transactions relating to this said business during the period from 1st April 2017 to 15th January 2018 are deemed to have been carried out by the Company for and on behalf of MSSSL and are not part of the above disclosures.

Balances as at 01-Apr-16:	Related parties as referred in					
	a (i) above	a (ii) above	a (iii) above	a (iv) above	a (v) above	Total
i) Amount Receivable	10.43	85.99	-		0.26	96.68
ii) Amount Payable	29.04	8.43	-	0.11		37.58
iii) Amount Receivable in respect of loans & advances	13.26	18.85	0.56			32.67
iv) Amount Payable in respect of loans & advances					507.16	507.16
v) Property deposit taken		0.07				0.07
Guarantees given by the Company	36.08	115.00				151.08
Collateral given on behalf of the Company				#		

2,513,000 Equity Shares of the Company.

Notes (contd.)

(b) (ii) Related Party Details

(ii) Details in respect of material transactions with related parties

(Rs. in Crore)

Purchase of Goods:	
Mukand International FZE	**20.61**
	14.76
Mukand Sumi Metal Processing Ltd	**33.81**
	15.04
Bombay Forgings Ltd	**0.49**
	1.82
Mukand Sumi Special Steel Ltd	**21.37**
	-
Mukand Engineers Ltd	**22.28**
	-
Sale of Goods:	
Mukand International FZE	**197.59**
	137.97
Bombay Forgings Ltd	**14.90**
	17.49
Mukand Sumi Metal Processing Ltd	**128.94**
	270.90
Mukand Sumi Special Steel Ltd	**313.14**
	-
Services Received:	
Hospet Steels Ltd	**52.38**
Mukand Engineers Ltd	**8.74**
	17.60
Mukand Global Finance Ltd	**0.30**
	0.30
Mukand Sumi Metal Processing Ltd	**8.90**
	7.97
Mukand Sumi Special Steel Ltd	**5.55**
	-
Remuneration to Executive Directors & Other KMPs #	
Short term employment benefit	**5.38**
	4.46
Post Employment Benefits	**0.40**
	0.33
Remuneration to Non-Executive / Independent Directors	
Sitting Fees	**0.26**
	0.32
Services Rendered:	
Mukand Special Steels Ltd	**48.91**
	0.01
Mukand International FZE	**0.09**
	0.04
Mukand Engineers Ltd	**7.93**
	0.76
Mukand Sumi Metal Processing Ltd	**52.14**
	31.31
Mukand Global Finance Ltd	**0.02**
	0.02
Interest / Dividend Paid / (Received) Net	
Mukand International FZE	**-**
	(1.42)
Mukand Engineers Ltd	**(0.19)**
	-
Jamnalal Sons Pvt Ltd	**34.09**
	76.59
Adonis Laboratories Pvt Ltd	**0.30**
	0.30
To relatives of a Director (Interest on FD)	**0.43**
	0.29
Mukand Sumi Metal Processing Ltd	**(0.06)**
	2.79
Mukand Special Steels Ltd	**0.10**
	-

Finance taken including equity / (re-payment of loans & advances) - Net		
Jamnalal Sons Pvt Ltd	**137.39**	
	46.00	
Mukand International FZE	**19.45**	
	-	
Stainless India Ltd	**-**	
	0.25	
FDs from Relatives of a Director	**0.10**	
	3.05	
Finance given including equity / (re-payment of loans & advances) - Net		
Mukand Vijayanagar Steel Ltd	**-**	
	0.10	
Kalyani Mukand Ltd	**0.02**	
	0.01	
Mukand Engineers Ltd	**2.90**	
	-	
Mukand Sumi Special Steel Ltd	**0.50**	
	-	
Balances at the close of the year:		Bal as at
i) Amount Receivable		01-04-16
Mukand International FZE	**35.77**	
	5.02	9.73
Bombay Forgings Ltd	**70.58**	
	66.70	65.32
Mukand Sumi Special Steel Ltd	**320.48**	
	-	-
Mukand Sumi Metal Processing Ltd	**6.02**	
	5.69	0.70
Mukand Engineers Ltd	**15.58**	
	15.01	19.44
Kalyani Mukand Ltd	**0.29**	
	0.27	0.26
Stainless India Ltd		
		1.23
ii) Amount payable		
Mukand International FZE	**37.94**	
	4.67	27.48
Mukand Global Finance Ltd	**0.14**	
	0.05	-
Mukand Engineers Ltd	**8.32**	
	1.76	2.05
Hospet Steels Ltd	**4.56**	
	0.51	6.38
Mukand Sumi Metal Processing Ltd	**8.26**	
	28.56	1.56
Remuneration to Key Management Personnel	**0.41**	
	0.23	0.11
Mukand Sumi Special Steel Ltd	**14.94**	
	-	-
iii) Amount Receivable in respect of loans & advances		
Vidyavihar Containers Ltd @	**-**	-
	13.23	13.23
Mukand Sumi Special Steel Ltd	**5.86**	
	0.05	0.03
Bombay Forgings Ltd	**15.72**	
	15.12	12.77
Mukand Sumi Metal Processing Ltd	**-**	-
	0.08	6.08
Mukand Engineers Ltd	**3.04**	
	0.48	-
Mukand Vini Minerals Ltd		
		0.56
iv) Amount Payable in respect of loans & advances		
Jamnalal Sons Pvt Ltd	**316.44**	
	557.13	505.16

Notes (contd.)

Bad Debts/Advances written off			
Mukand Vini Mineral Ltd	**-**		
	0.56		
Stainless India Ltd.	**-**		
	7.10		
Vidyavihar Containers Ltd	**13.23**		
	-		
Provision for Diminution in value of investment			
Mukand Vini Mineral Ltd	**-**		
	0.85		
Mukand Vijayanagar Steel Ltd	**-**		
	(0.01)		
Reimbursement of Expenses - Payments			
Mukand Engineers Ltd	**-**		
	0.02		
Adonis Laboratories Pvt Ltd	**2.01**		
	2.07	2.00	
FDs / interest thereon from Relatives of a Director	**3.93**		
	3.34	-	
v) Property Deposit taken			
Mukand Engineers Ltd	**0.07**		
	0.07	0.07	
Guarantees given by the Company			
Mukand Engineers Ltd	**115.00**		
	115.00	115.00	
Mukand International FZE	**17.75**		
	35.31	36.08	

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

The aforesaid amount does not include amount in respect of Gratuity and Leave as the same is not determinable.

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

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

i)	**Loans (net of provisions):**	**Purpose**		Rs. in crores
	Name of the Party		**31-Mar-18**	31-Mar-17
	Vidyavihar Containers Ltd.	To be utilized for its business	**-**	3.31
	Adore Builders Ltd.	To be utilized for its business	**5.00**	5.00
	High Seas Vyapar Pvt. Ltd.	To be utilized for its business	**-**	0.08
	India Thermal Power Ltd.	To be utilized for its business	**-**	7.50
	Mukand Engineers Ltd	To be utilized for its business	**2.90**	
	Aasman Trading P Ltd	To be utilized for its business	**2.65**	
	Ajay Natwarlal Commodities P.Ltd	To be utilized for its business	**0.55**	
	A M Realty P Ltd	To be utilized for its business	**0.38**	
	Rajesh Estates & Nirman Pvt Ltd	To be utilized for its business	**0.70**	
	Rajhans Infracon India P Ltd	To be utilized for its business	**22.07**	
	Rajhans Nutriments Pvt. Ltd.	To be utilized for its business	**6.46**	
	Royal Netra Constructions P Ltd	To be utilized for its business	**2.00**	
	Vijaygroup Housing P Ltd	To be utilized for its business	**5.47**	
ii)	Guarantees:			
	Name of the Party			
	Mukand International FZE	For its banking facilities	**17.75**	35.31
	Mukand Engineers Ltd.	For its banking facilities	**115.00**	115.00
	JSC Centrodorstroy	For security to claim amounts awarded by aribitral Tribunal	**5.76**	5.76
iii)	Investments:			
	For details please refer note no. 4 to the accounts			

(41)

I) Transfer of Alloy Steel Rolling & Finishing Business (ASRFB)

The Board of Directors in its meeting held on January 12, 2017 has approved a Scheme of Arrangement and Amalgamation amongst the Company, Mukand Vijayanagar Steel Limited (MVSL) {wholly owned subsidiary of the Company} and Mukand Alloy Steel Private Limited (MASPL) {wholly owned subsidiary of the Company, now rechristened as Mukand Sumi Special Steel Ltd (MSSSL)} and their respective shareholders and creditors under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of the Alloy Steel Rolling and Finishing Business of the Company with appointed date as January 01, 2017. The Scheme inter alia provides for transfer of the Alloy Steel Rolling and Finishing Business of the Company at their respective carrying value to MVSL, on a going concern basis, by way of Slump Sale for a lumpsum consideration of Rs 227.00 crores and thereafter, amalgamation of MVSL with MASPL as an integral and composite part of the Scheme. The Scheme also provides for adjustment of the accumulated debit balance in the Statement of Profit and Loss of the Company as on December 31, 2016 of Rs. 199.31 Crores with the existing balance in the Securities Premium Account as at December 31, 2016.

The relevant petition filed before the National Company Law Tribunal, Mumbai Bench, has been sanctioned on December 13, 2017. Upon necessary filings with the respective Registrars of Companies, the scheme has become effective from January 15, 2018 ("Effective Date") and accordingly, the Company has given effect to the Scheme in the accounts with effect from January 01, 2017, being the appointed date. Further, with effect from the appointed date and up to and including the effective date, the Company was deemed to be carrying on the business of Alloy Steel Rolling and Finishing on behalf of MASPL and all the profits / losses accruing in relation to the Alloy Steel Rolling and Finishing Business for the period commencing from the appointed date and up to the effective date for all purposes has been treated as the profits or losses, as the case may be, of MASPL. Accordingly, Profit/ (Loss) before tax from the appointed date till March 31, 2017 aggregating to (Rs.1.23) Crore has been accounted in 'Retained Earnings' under Other Equity. The profit/ (loss) before tax from April 1, 2017 till January 15, 2018 (effective date) aggregating Rs.13.07 crore stands transferred to MASPL.

The details of the book value of assets and liabilities as on January 1, 2017 (appointed date) transferred to MVSL under Slump Sale in accordance with the Scheme are as follows:

Sr No	Particulars	Rs crore
A	**Assets:**	
	i. Property Plant & Equipment including CWIP	**134.88**
	ii. Current Assets	**1,443.59**
	iii. Non-Current Assets	**2.11**
	Total Assets	**1,580.58**
B	**Liabilities:**	
	i. Non-Current Liabilities	**-**
	ii. Secured & Unsecured Loans	**1,034.55**
	iii. Current Liabilities	**318.55**
	Total Liabilities	**1,353.10**
	Net Assets Transferred (A – B)	**227.48**
	Lumpsum Consideration	**227.00**
	Loss on transfer of ASFRB accounted in retained earnings under other equity	**0.48**

II) For transfer of Industrial Machinery Business, the Board of Directors of Company at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company and its wholly owned subsidiaries, Whiteleaf Heavy Machinery Pvt. Ltd., now known as Mukand Audyogik Yantra Pvt. Ltd. and Technosys Industrial Machinery Pvt. Ltd., now known as Mukand Heavy Machinery Pvt. Ltd. and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Appointed Date under the Scheme was 1st January 2017. On review of current external business environment, management has decided not to proceed with the implementation of the Scheme at this stage.

(42) In accordance with Indian Accounting Standard – 108 "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.

(43) EMPLOYEE BENEFITS

(a) Long term employee benefit obligations

The leave obligations cover the Company's liability for earned leave and sick leave.

The compensated absences charged/(writtenback) for the year ended March 31, 2018 based on actuarial valuation amounting to (Rs. 0.06 Crore) (March 31, 2017 1.80 crore) has been charged in the Statement of Profit and Loss.

(b) Post employment obligations

Defined contribution plans

The company also contributes on a defined contribution basis to employees' provident fund and superannuation fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund (an exempted Trust). The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the period towards defined contribution plans

Rs in crore

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Employer's Contribution to Provident Fund	**5.49**	5.26
Employer's Contribution to FPF	**2.29**	2.34
Employer's Contribution to EDLI	**0.51**	0.58
Employer's Contribution to ESIC	**0.30**	0.25
Employer's Contribution to Maharahtra Labour Welfare fund	**0.01**	0.01
Employer's Contribution to superannuation fund	**2.63**	2.74

Defined benefit plans

Gratuity

The company provides for gratuity for employees as per Company's Scheme/s. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month and as per the Schemes applicable to those employees. The gratuity plan is a funded plan. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

Rs in crore

Defined benefit plans		**For the year ended March 31, 2018**	For the year ended March 31, 2017
		Gratuity (funded)	Gratuity (funded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current Service Cost	**4.54**	5.35
	Past Service Cost	**-**	-
	Expected return on plan assets	**-**	-
	Interest cost on benefit obligation	**1.78**	2.29
	Total Expenses	**6.32**	7.64
II	**Expenses recognised in OCI**		
	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	**(0.79)**	(0.58)
	Actuarial (Gain)/ Losses due to Experience on DBO	**(2.37)**	(2.51)
	Return on Plan Assets (Greater) / Less than Discount rate	**(0.14)**	(0.08)
	Total Expenses	**(3.30)**	(3.17)
III	**Net Asset /(Liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	**(44.50)**	(43.95)
	Fair Value of Plan Assets	**21.11**	19.63
	Funded status [Surplus/(Deficit)]	**(23.39)**	(24.32)
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	**43.95**	41.34
	Current Service Cost	**2.46**	2.55
	Past service cost / acquisition adjustment	**(1.74)**	-
	Interest Cost	**3.22**	3.32
	Actuarial (Gain)/Loss	**(3.16)**	(3.08)
	Benefits paid	**(0.23)**	(0.18)
	Present value of defined benefit obligation at the end of the year	**44.50**	43.95
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	**19.63**	12.86
	Expected returns on Plan Assets	**1.46**	1.03
	Actuarial (Gain)/Loss on Plan assets	**0.15**	0.08
	Contribution from Employer	**0.10**	5.84
	Benefits paid	**(0.23)**	(0.18)
	Closing fair value of the plan asset	**21.11**	19.63
VI	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	**8.09**	8.09
	Between 2 and 5 years	**17.41**	16.23
	Between 6 and 10 years	**20.12**	18.39

VII	**Quantitative sensitivity analysis for significant assumptions is as below:**		
1	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
	(i) +100 basis points increase in discount rate	**(2.92)**	(3.03)
	(ii) -100 basis points decrease in discount rate	**3.33**	3.46
	(iii) +100 basis points increase in rate of salary increase	**3.39**	3.51
	(iv) -100 basis points decrease in rate of salary increase	**(3.02)**	(3.12)
2	Sensitivity analysis method		
	Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.		
VIII	**Actuarial Assumptions:**	**As at March 31, 2018**	As at March 31, 2017
1	Discount rate	**7.70%**	7.40%
2	Expected rate of salary increase	**5.00% p.a.**	4.95% p.a.
3	Attrition rate	**2.00%**	2.00%
4	Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

a. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b. The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c. The gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

d. The Company expects to make a contribution of Rs 4.39 Crore to the defined benefit plans (gratuity - funded) during the next financial year.

e. The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years.

Risk exposure: Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or bolding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time) and Company's Schemes for different category of employees.There is a risk of change in regulations requiring higher gratuity payouts(e.g. Increase in the maximum limit on gratuity of Rs.20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to the market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(44) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

							(Rs. in crores)
Particulars	**Opening Balance**	**Cash Movement**	**Buisness Acquisition/ Disposals**	**Foreign exchange changes**	**Fair value changes**	**Others**	**Total**
March 31, 2018							
Secured Term Loans	613.26	(195.63)	-	-	-	-	417.63
Preference Share Capital	3.59				0.38		3.97
Long term Loans from Companies	1,217.85	324.94	(1,033.01)				509.78
Fixed Deposits	101.01	45.50	-	-	-	-	146.51
Working Capital Loans	640.07	111.51	(214.00)	-	-	-	537.58
Inter corporate Deposits	308.63	33.11		-	-	-	341.74
Total	**2,884.41**	**319.43**	**(1,247.01)**	**-**	**0.38**	**-**	**1,957.21**
March 31, 2017							
Secured Term Loans	663.73	(50.47)	-	-	-	-	613.26
Preference Share Capital	3.24				0.35		3.59
Long term Loans from Companies	1,116.00	101.85					1,217.85
Fixed Deposits	73.73	27.28	-	-	-	-	101.01
Working Capital Loans	606.56	33.51	-	-	-	-	640.07
Inter corporate Deposits	275.50	33.13	-	-	-	-	308.63
Total	2,738.76	145.30	-	-	0.35	-	2,884.41

These cash movements are included in the cash flow statement: receipts from borrowing, repayment of borrowing.

(45) INTERESTS IN OTHER ENTITIES

In compliance with Ind AS 27 "Separate Financial Statements", the required information is as under -

Name of Entity	**Place of Business/ Country of Incorporation**	**Percentage of Ownership Interest as on**		
		31-Mar-18	31-Mar-17	01-Apr-16
(a) Subsidiaries				
Mukand Global Finance Ltd.	India	**100.00%**	100.00%	100.00%
Vidyavihar Containers Ltd.	India	**100.00%**	100.00%	100.00%
Mukand International Ltd.	UK	**100.00%**	100.00%	100.00%
Mukand International FZE	UAE	**100.00%**	100.00%	100.00%
Mukand Vijayanagar Steel Ltd [Refer Note 4 & 41 (I)]	India		100.00%	-
Whiteleaf Heavy Machinery Pvt Ltd [Refer Note 4 & 41 (II)]	India		100.00%	-
Technosys Industrial Machinery Pvt Ltd [Refer Note 4 & 41 (II)]	India		100.00%	-
Mukand Alloy Steels Ltd. [Refer Note 4 & 41 (I)]	India		100.00%	99.00%
(b) Joint Ventures				
Mukand Sumi Metal Processing Ltd.	India	**60.07%**	60.07%	60.07%
Mukand Vini Mineral Ltd.	India	**49.01%**	49.01%	49.01%
Mukand Alloy Steels Ltd. [Refer Note 4 & 41 (I)]	India	**100.00%**	-	-
Hospet Steels Ltd.	India	**28.00%**	28.00%	28.00%
(c) Associates				
Mukand Engineers Ltd.	India	**36.11%**	36.11%	36.11%
Bombay Forgings Ltd.	India	**24.00%**	24.00%	24.00%
Stainless India Ltd.	India	**44.09%**	44.09%	44.09%

(46) FAIR VALUE MEASUREMENTS

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Rs. in crore

		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
1	**Financial Assets and Liabilities as at March 31, 2018**								
a	**Non-Current Financial Assets**								
	Investments in Equity Instruments	163.81	66.41	19.97	250.19	16.62		1,408.01	1,424.63
	Other Financial Assets			29.79	29.79			29.79	29.79
b	**Current Financial Assets**								
	Trade Receivable			310.16	310.16			310.16	310.16
	Cash & Cash Equivalents			11.08	11.08			11.08	11.08
	Other Bank Balance			47.46	47.46			47.46	47.46
	Loans			48.18	48.18			48.18	48.18
	Other Financial Assets			564.92	564.92			564.92	564.92
		163.81	**66.41**	**1,031.56**	**1,261.78**	**16.62**	**-**	**2,419.60**	**2,436.22**
c	**Non-current Financial liabilities**								
	Borrowings			779.09	779.09			779.09	779.09
	Other Financial Liabilities			4.00	4.00			4.00	4.00
d	**Current Financial liabilities**								**-**
	Short term borrowings			879.32	879.32			879.32	879.32
	Trade Payables			944.04	944.04			944.04	944.04
	Other Financial Liabilities			349.06	349.06			349.06	349.06
		-	**-**	**2,955.51**	**2,955.51**	**-**	**-**	**2,955.51**	**2,955.51**
2	Financial Assets and Liabilities as at March 31, 2017								
a	Non-Current Financial Assets								
	Investments in Equity Instruments	163.64	66.60	19.97	250.21	22.02		246.90	268.92
	Other Financial Assets			24.89	24.89			24.89	24.89
b	Current Financial Assets								
	Trade Receivable			1,010.85	1,010.85			1,010.85	1,010.85
	Cash & Cash Equivalents			16.75	16.75			16.75	16.75
	Other Bank Balance			44.66	44.66			44.66	44.66
	Loans			15.89	15.89			15.89	15.89
	Other Financial Assets			596.16	596.16			596.16	596.16
		163.64	**66.60**	**1,729.17**	**1,959.41**	**22.02**	**-**	**1,956.10**	**1,978.12**
c	Non-current Financial liabilities								
	Borrowings			1,648.50	1,648.50			1,648.50	1,648.50
	Other Financial Liabilities			4.00	4.00			4.00	4.00
d	Current Financial liabilities								-
	Short term borrowings			948.70	948.70			948.70	948.70
	Trade Payables			864.20	864.20			864.20	864.20
	Other Financial Liabilities			361.19	361.19			361.19	361.19
		-	**-**	**3,826.59**	**3,826.59**	**-**	**-**	**3,826.59**	**3,826.59**
3	Financial Assets and Liabilities as at April 1, 2016								
a	Non-Current Financial Assets								
	Investments in Equity Instruments	164.49	66.41	19.97	250.87	11.26		227.64	238.90
	Other Financial Assets			13.62	13.62			13.62	13.62

Rs. in crore

		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
b	Current Financial Assets								
	Trade Receivable			1,041.27	1,041.27			1,041.27	1,041.27
	Cash & Cash Equivalents			15.13	15.13			15.13	15.13
	Other Bank Balance			48.81	48.81			48.81	48.81
	Loans			22.07	22.07			22.07	22.07
	Other Financial Assets			472.17	472.17			472.17	472.17
		164.49	66.41	1,633.04	1,863.94	11.26	-	1,840.71	1,851.97
c	Non-current Financial liabilities								
	Borrowings			1,584.35	1,584.35			1,584.35	1,584.35
	Other Financial Liabilities			3.53	3.53			3.53	3.53
d	Current Financial liabilities								-
	Short term borrowings			882.06	882.06			882.06	882.06
	Trade Payables			837.79	837.79			837.79	837.79
	Other Financial Liabilities			343.28	343.28			343.28	343.28
		-	-	3,651.01	3,651.01	-	-	3,651.01	3,651.01

B. Measurement of fair value

The following methods and assumptions were used to estimate the fair values:

a) The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including deposits, creditors for capital expenditure, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances if required, are taken to account for expected losses of these receivables.

c) The fair values for investment in equity shares other than subsidiaries were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

D. Valuation technique used to determine fair value

Type	Valuation technique	Significant unobservable input	Interrelationship between Significant unobservable input and fair valuation
Investments in unquoted instruments accounted for as Fair value through Profit & Loss	Income based approach (Discounted Cash Flow Method)	Discounting Rate/ WACC- 11.55%	Increase/ (Decrease) in significant unobservable input will (Decrease) / Increase fair value of the instrument

E. Reconciliation of Level 3 fair values

Rs. in crore

		Total
1	Opening balance as on 1-Apr-16	227.64
2	Additional Investment	0.19
3	Gain/loss recognized in :	-
a	Statement of profit and loss	42.87
b	Other comprehensive income	-
c	Other Equity	(23.80)
	Closing balance as on 31-Mar-17	246.90
4	Additional Investment	-
5	Gain/loss recognized in :	-
a	Statement of profit and loss	263.59
b	Other comprehensive income	39.72
c	Other Equity	857.80
	Closing balance as on 31-Mar-18	**1,408.01**

F. Sensitivity Analysis

A reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects in profit or loss:

Rs crore

Significant unobservable input	**March 31, 2018**		March 31, 2017	
	Increase	**Decrease**	Increase	Decrease
0.5% Discount rate				
MSMPL	**(14.63)**	**16.30**	(12.06)	13.41
MSSSL	**(62.97)**	**70.03**		

(47) FINANCIAL 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. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company has in place adequate Internal Financial Controls with reference to financial statements and such internal financial controls are operating effectively. Your company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial statements.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i Trade and Other receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

The ageing analysis of trade receivables including interest (gross of provision) has been considered from the date the invoice falls due -

Rs in crore

Particulars	**31-Mar-18**	31-Mar-17	1-Apr-16
0 to 180 days due past due date	**247.50**	512.70	627.04
More than 180 days past due date	**62.66**	498.15	414.23
	310.16	1,010.85	1,041.27

ii The following table summarizes the changes in loss allowances measured using life time expected credit loss model for Trade and Other Receivables:

Rs in crore

Particulars	**31-Mar-18**	31-Mar-17	1-Apr-16
Opening Provision	**99.47**	126.59	126.59
Provision during the year	**8.34**	-	-
Reversal of provision	**(19.65)**	(27.12)	-
Closing provision	**88.16**	99.47	126.59

iii Cash and bank balances

The Company held cash and cash equivalent and other bank balance of INR 58.54 crores at March 31, 2018 (March 31, 2017: Rs 61.40 crores; April 1, 2016: Rs 63.94 crores). The same are held with banks with good credit rating.

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Rs in crore

a Contractual maturities of financial liabilities as on 31 March 2018	**1 year or less**	**1-2 years**	**More than 2 years**	**Total**
Non-Derivative				
Long term borrowings	297.19	180.81	599.89	1,077.89
Short term borrowings	879.32	-	-	879.32
Trade payables	944.04	-	-	944.04
Other financial liabilities	54.33	-	4.00	58.33
Total	**2,174.88**	**180.81**	**603.89**	**2,959.58**
Derivatives	121.73	-	-	121.73
Total	**121.73**	**-**	**-**	**121.73**

Rs in crore

b Contractual maturities of financial liabilities as on 31 March 2017	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Long term borrowings	283.37	297.19	1,355.15	1,935.71
Short term borrowings	948.70	-	-	948.70
Trade payables	864.20	-	-	864.20
Other financial liabilities	79.12	-	4.00	83.12
Total	**2,175.39**	**297.19**	**1,359.15**	**3,831.73**
Derivatives	198.84	-	-	198.84
Total	**198.84**	**-**	**-**	**198.84**

Rs in crore

c Contractual maturities of financial liabilities as on 1 April 2016	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Long term borrowings	227.97	283.37	1,345.36	1,856.70
Short term borrowings	882.06	-	-	882.06
Trade payables	837.79	-	-	837.79
Other financial liabilities	74.48	-	3.53	78.01
Total	**2,022.30**	**283.37**	**1,348.89**	**3,654.56**
Derivatives	125.39	-	-	125.39
Total	**125.39**	**-**	**-**	**125.39**

C Market risk

Market risk is the risk that changes in market prices, such as interest rates (interest rate risk), will affect the company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes (contd.)

D Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

E Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Rs in crore

Particulars	**31-Mar-18**	31-Mar-17	1-Apr-16
Variable rate borrowings	**417.63**	613.26	663.73
Fixed rate borrowings	**1,539.58**	2,271.15	2,075.03
Total borrowings	**1,957.21**	2,884.41	2,738.76

F Sensitivity:

A change of 100 basis points in interest rates would have following impact on profit after tax and equity -

Rs in crore

Particulars	**31-Mar-18**	31-Mar-17
Interest rates – increase by 100 basis points *	**1.96**	3.26
Interest rates – decrease by 100 basis points *	**(1.96)**	(3.26)
* Holding all other variables constant		

47)

G Foreign Exchange Risk:

a Derivative instruments outstanding:

Amount in crore

	As at 31-Mar-18		Equivalent (Rs)	As at 31-Mar-17		Equivalent (Rs)
For Imports	**USD**	**0.79**	**51.83**	USD	2.54	171.54
	EURO	**-**	**-**	EURO	-	-
For Exports	**USD**	**0.53**	**34.68**	USD	0.31	20.62
	EURO	**0.44**	**35.22**	EURO	0.09	6.68

b Foreign Currency exposure that are not hedged by derivative instruments:

Amount in crore

	Debtors	Equiv Rs.	Creditors	Equiv Rs.	Cash Bank Balances	Equiv Rs.	Other Payables	Equiv Rs.	Export Advance	Equiv Rs.	Other Receivable	Equiv Rs.	Total	Equiv Rs.
USD	**-**	**-**	**5.895**	**384.207**	**-**	**-**	**0.022**	**1.423**	**0.321**	**20.948**	**0.001**	**0.044**	**6.239**	**406.622**
	0.007	0.444	3.680	238.634	-	-	0.015	0.954	0.057	3.680	-	-	3.758	243.711
EURO	**-**	**-**	**0.032**	**2.600**	**-**	**-**	**-**	**-**	**0.098**	**7.907**	**-**	**-**	**0.130**	**10.508**
	-	-	0.037	2.552	-	-	-	-	-	-	-	-	0.037	2.552
AUD	**-**	**-**	**0.000**	**0.009**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.000**	**0.009**
	-	-	0.000	0.009	-	-	-	-	-	-	-	-	0.000	0.009
CHF	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	0.003	0.173	-	-	-	-	-	-	-	-	0.003	0.173
SEK	**-**	**-**	**0.034**	**0.267**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.034**	**0.267**
	-	-	0.030	0.220	-	-	-	-	-	-	-	-	0.030	0.220
CAD	**-**	**-**	**0.092**	**4.656**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.092**	**4.656**
	-	-	0.331	16.095	-	-	-	-	-	-	-	-	0.331	16.095
GBP	**-**	**-**	**0.002**	**0.186**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.002**	**0.186**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JPY	**-**	**-**	**0.517**	**0.318**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.517**	**0.318**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total													**7.01**	**422.57**
													4.16	262.76

Figures in bold type relates to current year and figures in normal type relates to previous year.

c Sensitivity if the Exchange rate moves upward / downward by Rs. 1/-

		Rs in crore
Liability	**Increase**	**Decrease**
Upward	**6.50**	
	4.16	
Downward		**(6.50)**
		(4.16)

a. Derivative instruments outstanding:

Amount in crore

	As at 01-Apr-16		Equivalent (Rs)
For Imports	USD	1.576	107.83
	EURO	-	
For Exports	USD	0.15	10.39
	EURO	0.09	7.17

b. Foreign Currency exposure that are not hedged by derivative instruments:

Amount in crore

	Debtors	Equiv Rs.	Creditors	Equiv Rs.	Cash Bank Balances	Equiv Rs.	Other Payables	Equiv Rs.	Export Advance	Equiv Rs.	Total	Equiv Rs.
USD	-	-	3.790	251.110	-	-	0.020	1.325	0.080	5.300	3.890	257.74
EURO	-	-	0.110	8.290	-	-	0.005	0.380	0.020	1.508	0.135	10.18
AUD	-	-	0.0002	0.0090	-	-	-	-	-	-	0.000	0.01
CHF	-	-	0.001	0.091	-	-	-	-	-	-	0.001	0.09
SEK	-	-	0.042	0.340	-	-	-	-	-	-	0.042	0.34
											4.07	268.35

c. Sensitivity if the Exchange rate moves upward / downward by Rs. 1/-

		Rs in crore
Liability	**Increase**	**Decrease**
Upward	**4.07**	
	-	
Downward		**(4.07)**
		-

48: FIRST TIME ADOPTION OF IND AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38. The Company has opted to consider the carrying value of property, plant and equipments, Intangible assets as deemed cost as at the transition date.

ii. Investments in subsidiaries, associates and joint ventures

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

The Company has elected to consider fair value for its investments in Subsidiaries, Joint ventures and previous GAAP carrying amount for associates on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

iii. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI
- Impairment of financial assets based on expected credit loss model.

iv. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

v. Derecognition of financial assets and liabilities

The company has applied the derecognition requirement of finanical assets and financial liabilities prospectively for transaction occuring on or after the transition date.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of Balance sheet as at date of transition (April 1, 2016)

Rs in crore

	Particulars	Notes	IGAAP	Ind AS Adjustments	Ind AS
I	ASSETS				
(A)	Non Current Assets				
(1)	Property Plant & Equipment, Capital Work-in-Progress & Intangible Assets				
(a)	Property Plant & Equipment	1,2,3	2,406.73	(1,677.75)	728.98
(b)	Capital work-in-progress	2	29.20	7.88	37.08
(c)	Intangible assets		0.10	-	0.10
			2,436.03	(1,669.87)	766.16

Notes (contd.)

Rs in crore

	Particulars	Notes	IGAAP	Ind AS Adjustments	Ind AS
(2)	Financial Assets				
(a)	Investments	4,5	250.87	(3.45)	247.42
(b)	Other Financial Assets		12.31	1.31	13.62
			263.18	**(2.14)**	**261.04**
(3)	Deferred Tax Assets (net)	11	92.70	33.09	125.79
(4)	Income Tax Assets		38.29	-	38.29
(5)	Other non-current assets	3,6,11	62.68	26.03	88.71
	Total (A)		**2,892.88**	**(1,612.89)**	**1,279.99**
(B)	Current Assets				
(1)	Inventories	2,7	1,462.25	(304.80)	1,157.45
(2)	Financial Assets				
(a)	Trade receivables	8	1,116.18	(74.91)	1,041.27
(b)	Cash & Cash Equivalents and Other Bank Balances				
	(i) Cash & Cash Equivalents		15.13	-	15.13
	(ii) Bank Balances Other than (i) above		50.13	(1.32)	48.81
			65.26	**(1.32)**	**63.94**
(c)	Loans	8	26.69	(4.62)	22.07
(d)	Other Financial Assets	7,8	217.00	255.17	472.17
	Total (2)		**1,425.13**	**174.32**	**1,599.45**
(3)	Other Current Assets	3,6	173.27	(0.02)	173.25
	Total (B)		**3,060.65**	**(130.50)**	**2,930.15**
	Total - Assets		**5,953.53**	**(1,743.39)**	**4,210.14**
II	EQUITY AND LIABILITIES				
II.1	Equity				
(a)	Share Capital		147.05	(5.63)	141.42
(b)	Other Equity	12	1,971.02	(1,740.55)	230.47
	Total Equity		**2,118.07**	**(1,746.18)**	**371.89**
II.2	Liabilities				
(A)	Non Current Liabilities				
(1)	Financial Liabilities				
(a)	Borrowings	6,9	1,578.76	5.59	1,584.35
(b)	Other Financial Liabilities	10	4.00	(0.47)	3.53
	Total (1)		**1,582.76**	**5.12**	**1,587.88**
(2)	Provisions		41.02	-	41.02
(3)	Deferred Tax Liabilities (net)			-	-
	Total (A)		**1,623.78**	**5.12**	**1,628.90**
(B)	Current Liabilities				
(1)	Financial Liabilities				
(a)	Borrowings		882.06	-	882.06
(b)	Trade payables		837.79	-	837.79
(c)	Other Financial Liabilities	6	346.07	(2.79)	343.28
			2,065.92	**(2.79)**	**2,063.13**
(2)	Other Current Liabilities	10	137.74	0.46	138.20
(3)	Provisions		8.02	-	8.02
	Total (B)		**2,211.68**	**(2.33)**	**2,209.35**
	Total Equity & Liabilities		**5,953.53**	**(1,743.39)**	**4,210.14**

Notes (contd.)

ii. Reconciliation of Balance sheet as at March 31, 2017

Rs in crore

	Particulars	Notes	IGAAP	Ind AS Adjustments	Ind AS
I	ASSETS				
(A)	Non Current Assets				
(1)	Property Plant & Equipment, Capital Work-in-Progress & Intangible Assets				
(a)	Property Plant & Equipment	1,2,3	712.70	(20.19)	692.51
(b)	Capital work-in-progress	2	33.13	5.75	38.88
(c)	Intangible assets		0.16	-	0.16
			745.99	**(14.44)**	**731.55**
(2)	Financial Assets				
(a)	Investments	4,5	250.21	16.47	266.68
(b)	Other Financial Assets		24.89	-	24.89
			275.10	**16.47**	**291.57**
(3)	Deferred Tax Assets (net)	11	44.48	17.45	61.93
(4)	Income Tax Assets		43.51	-	43.51
(5)	Other non-current assets	3,6,11	58.50	25.71	84.21
	Total (A)		**1,167.58**	**45.19**	**1,212.77**
(B)	Current Assets				
(1)	Inventories	2,7	1,618.42	(275.82)	1,342.60
(2)	Financial Assets				
(a)	Trade receivables	8	1,072.60	(61.75)	1,010.85
(b)	Cash & Cash Equivalents and Other Bank Balances				
	(i) Cash & Cash Equivalents		16.74	0.01	16.75
	(ii) Bank Balances Other than (i) above		44.66	-	44.66
			61.40	**0.01**	**61.41**
(c)	Loans	8	25.81	(9.92)	15.89
(d)	Other Financial Assets	7,8	353.90	242.26	596.16
	Total (2)		**1,513.71**	**170.60**	**1,684.31**
(3)	Other Current Assets	3,6	162.66	(0.12)	162.54
	Total (B)		**3,294.79**	**(105.34)**	**3,189.45**
	Total - Assets		**4,462.37**	**(60.15)**	**4,402.22**
II	EQUITY AND LIABILITIES				
II.1	Equity				
(a)	Share Capital		147.05	(5.63)	141.42
(b)	Other Equity	12	277.83	(57.78)	220.05
	Total Equity		**424.88**	**(63.41)**	**361.47**
II.2	Liabilities				
(A)	Non Current Liabilities				
(1)	Financial Liabilities				
(a)	Borrowings	6,9	1,642.62	5.88	1,648.50
(b)	Other Financial Liabilities	10	4.00	-	4.00
	Total (1)		**1,646.62**	**5.88**	**1,652.50**
(2)	Provisions		25.57	11.76	37.33
(3)	Deferred Tax Liabilities (net)			-	
	Total (A)		**1,672.19**	**17.64**	**1,689.83**
(B)	Current Liabilities				
(1)	Financial Liabilities				
(a)	Borrowings		948.70	-	948.70
(b)	Trade payables		864.20	-	864.20
(c)	Other Financial Liabilities	6	363.80	(2.61)	361.19
			2,176.70	**(2.61)**	**2,174.09**
(2)	Other Current Liabilities	10	167.83	(0.01)	167.82
(3)	Provisions		20.77	(11.76)	9.01
	Total (B)		**2,365.30**	**(14.38)**	**2,350.92**
	Total Equity & Liabilities		**4,462.37**	**(60.15)**	**4,402.22**

iii. Reconciliation of total comprehensive income for the year ended March 31, 2017

Rs in crore

Particulars	Notes	IGAAP	Ind AS Adjustments	Ind AS
I. Revenue from operations	7,14	3,025.97	(30.78)	2,995.19
II. Other income	15	28.05	191.92	219.97
III. Total income		**3,054.02**	**161.14**	**3,215.16**
IV. Expenses				
(a) Cost of Material Consumed		1,153.45	-	1,153.45
(b) Purchase of goods including traded goods			-	
(c) Changes in inventories of Finished Goods and Work-in-Progress / Contracts in Progress & Stock-in Trade	7	(77.97)	(26.86)	(104.83)
(d) Excise duty on sales	14	328.56	-	328.56
(e) Employee benefits expense	13	171.42	3.17	174.59
(f) Finance costs	6,9,15	279.95	144.83	424.78
(g) Depreciation and amortization expense	2,3	70.96	0.39	71.35
(h) Other Expenses	2,3,8	1,121.22	(28.04)	1,093.18
Total expenses (IV)		**3,047.59**	**93.49**	**3,141.08**
V. Profit/(Loss) before tax (III - IV)		**6.43**	**67.65**	**74.08**
VI. Tax expense				
(a) Current tax				
(b) Deferred tax	11	(48.24)	(14.60)	(62.84)
VII. Profit/(Loss) after tax (V - VI)		**(41.81)**	**53.05**	**11.24**
VIII. Other comprehensive income				
(i) Items that will not be reclassified to profit or loss	4,13	-	(21.66)	(21.66)
Other comprehensive income for the year, net of tax		-	(21.66)	(21.66)
IX. Total comprehensive income for the year (VII + VIII)		**(41.81)**	**31.39**	**(10.42)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

iv. Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(Rs. in crores)

Particulars	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		424.88	2,118.07
Adjustments:			
Revaluation reserve adjusted with Freehold land	1	-	(1,651.38)
Capitalisation of stores & spares	2	5.84	-
Net changes in fair value of investments measured at FVTOCI	4	(40.28)	(16.48)
Net changes in fair value of investments measured at FVTPL	5	56.76	13.04
Borrowings measured at amortised cost	6	(0.11)	0.09
Expected Credit Loss provision on Financial Assets	8	(99.48)	(121.30)
Preference shares classified as liability	9	(3.59)	(3.24)
Deferred tax impact on above adjustments	11	17.45	33.09
Total Equity under Ind AS		361.47	371.89

v. Reconciliation of total comprehensive income for the year ended March 31, 2017

(Rs. in crores)

Particulars	Note	March 31, 2017
Profit after tax as per previous GAAP		(41.81)
Adjustments:		
Capitalisation of stores & spares	2	5.84
Net changes in fair value of investments measured at FVTPL	5	43.72
Borrowings measured at amortised cost	6	(0.20)
Expected Credit Loss provision on Financial Assets	8	21.82
Unwinding of interest on preference shares	9	(0.35)
Remeasurement of defined benefit plan	13	(3.17)
Deferred tax impact on above adjustments	11	(14.61)
Profit after tax as per Ind AS		11.24
Other comprehensive income (net of tax)	4,11	(21.66)
Total comprehensive income as per Ind AS		**(10.42)**

vi. Effects of IND AS adoption on Cash Flows for year ended 31 March 2017

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

Notes:

1 Revaluation Reserve

Under previous GAAP, land was carried at revalued amount and on transition to Ind AS management decided to follow deemed cost after considering the effect of reversal of revaluation reserve.

2 Capitalisation of stores & spares

As per Ind AS 16, spare parts, stand- by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one period.

Based on the above provision, stores and spares satisfying above criteria are de-recognised from Inventory and capitalized as PPE from the date of purchase."

3 Leases

Under IGAAP, Leasehold Land were classified as Fixed Assets as the standard on leases excluded Land. However, as per Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset has not been transferred in the name of Company, the Company has classified such land under Operating Leases. The amount paid towards such leases has been shown as Prepayments under Other non-current assets and other current assets.

4 Investment in subsidiaries measured at FVTOCI

The Company has designated Investment in Subsidiary at Fair Value through other comprehensive income (FVTOCI). Therefore all the fair value changes with respect to investments in equity instruments designated as FVTOCI have been recognised in retained earnings as at the date of transition and subsequently in FVTOCI for the year ended March 31, 2017.

5 Investment in Joint ventures measured at FVTPL

The Company has designated Investment in joint ventures at Fair Value through Profit & Loss (FVTPL). Therefore all the fair value changes with respect to investments in equity instruments designated as FVTPL have been recognised in retained earnings as at the date of transition and subsequently in the statement of profit & loss for the year ended March 31, 2017.

6 Borrowings

Under previous GAAP, transaction costs in relation to borrowings were initially recognised as an asset and subsequently, amortized over the period of the loan as borrowing costs. Under Ind AS, financial liabilities in the form of borrowings have been measured at amortized cost using the effective interest rate method.

7 Unbilled Revenue

Difference between revenue as per percentage of completion method and billing milestone are considered as unbilled revenue and receivable from such revenue are shown as other financial assets, which was grouped under Inventories in earlier years

8 Expected Credit Loss provision on Financial Assets

Under Indian GAAP, Company recognises provisions on the basis of incurred losses. Under Ind AS, impairment allowance has been recognised based on Expected Credit Loss basis (ECL).The resultant impact has been made to retained earnings.

9 Preference shares considered as financial liability

Cumulative redeemable preference shares issued by the Company have been classified as borrowings and recognized at amortised cost on transition date as against part of share capital under previous GAAP. The difference on the transition date has been recognized in opening retained earnings . Interest charge at effective interest rate on such borrowings has been recognized as finance cost in subsequent periods.

10 Security Deposits

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial instruments are initially required to be measured at fair value. Accordingly, the Company has fair valued the security deposits as on the transition date and difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as advance rent. Subsequently, security deposits are carried at amortised cost and unwinding of interest is charged to Statement of Profit & Loss.

11 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable. Under Ind AS, MAT credit is also presented with deferred tax.

Notes (contd.)

12 Retained Earnings

Retained earnings as at April 1, 2016 & March 31, 2017 has been adjusted consequent to the above Ind AS transition adjustments.

13 Remeasurement of defined benefit obligations

Under previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

14 Excise Duty

Under IGAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty has been included in revenue from operations and shown separately as an expense.

15 Others

Interest income & interest expenses which were netted in IGAAP is grossed up under Ind AS.

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS 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 joint ventures comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity 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 Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS **Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS 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 including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures 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 Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS Financial Statements and on the other financial information of the subsidiaries, associates and joint ventures the aforesaid Consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31st March, 2018, their consolidated profit including other comprehensive income, consolidated changes in equity 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 Ind AS Financial Statements:

(a) Note 13 (b) to the Consolidated Financial Statements relating to the exposure in Bombay Forgings Limited (BFL) aggregating to Rs. 86.49 crores as at March 31, 2018 (Rs. 82.01 crores as at March 31, 2017), 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 27 (a) to the Consolidated Financial Statements, relating to exposure aggregating Rs. 123.97 crores as at March 31, 2018 (Rs. 113.54 crores as at March 31, 2017) in respect of road construction activity, the claims for which are being processed at various appellate fora and our reliance on the management's expectation backed by its legal opinion, of its realisability of balances over a period of next 2 to 3 years.

(c) The auditors of Joint Venture i.e. Mukand Sumi Special Steel Limited (erstwhile known as Mukand Alloy Steel Limited), without modifying their opinion in the Auditor's Report drawn attention as follows:

"I draw attention to Note 1 (c) of the Ind AS Financial Statements detailing the accounting treatment relating to the scheme involving amalgamation of Mukand Vijaynagar Steel Limited (MVSL), one of the fellow subsidiary of the company, with the company at fair value with effect from January 01, 2017 (the appointed date) in terms of the scheme approved by the National Company Law Tribunal, Mumbai (NCLT). The amalgamation has been accounted in accordance with Purchase Method of accounting as per Accounting Standard AS-14 "Accounting for Amalgamation" as prescribed in Companies (Accounting Standard) Rules, 2006 issued by Ministry of Corporate Affairs. The scheme became effective from January 15, 2018 upon filing of the certified true copy of the Order with Registrar of Companies, Maharashtra. In accordance with the scheme, the company has recognized goodwill on amalgamation amounting to Rs. 1,83,483.62 Lakhs which is amortised over its useful life. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) – "Business Combination" for business combination of entities under common control.

Had the goodwill not been amortised as required under Ind AS 103, the depreciation and amortisation expense for the year ended March 31, 2018 would have been lower by Rs. 9,174.00 Lakhs and Loss before tax for the year ended March 31, 2018 would have been lower by an equivalent amount.

Operation for the period from January 01, 2017 to March 31, 2017 have been carried out by Mukand Limited and net effect of transactions the period from January 01, 2017 to March 31, 2017 emanating from Holding Company (Mukand Limited) have been given in the opening reserves."

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the Ind AS Financial Statements of Two (2) subsidiaries whose Ind AS Financial Statements reflects total assets of Rs. 301.00 Crores and

net assets of Rs. (12.80) Crores as at March 31, 2018, total revenues of Rs. 326.63 Crores and net cash flows amounting to Rs. 0.58 Crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include Group's share of net loss of Rs. 124.34 Crores for the year ended March 31, 2018, as considered in the consolidated Ind AS Financial Statements, in respect of One (1) associates and Two (2) joint ventures, whose Ind AS Financial Statements have not been audited by us. These Ind AS Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures, and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

One (1) of these subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditor under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

(b) We did not audit the Ind AS financial statements of Two (2) subsidiaries whose Ind AS financial statements reflects total assets of Rs. 9.96 Crores and net assets of Rs. 42.06 Crores as at March 31, 2018, total revenues of Rs. 0.09 Crores and net cash flows amounting to Rs. 0.004 Crores for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include Group's share of net loss of Rs. 0.77 Crores for the year ended March 31, 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of Two (2) associates, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management, these Ind AS financial statements are not material to the Group.

(c) The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS Financial Statements are based on the previously issued statutory financial statements for the year ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified audit opinion dated May 24, 2017 and May 23, 2016 respectively. The adjustments to those financial statements for the differences in the accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion on the Consolidated Ind AS 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 Ind AS financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

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

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity 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 Ind AS Financial Statements;

d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2018 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 the Group, its associates and, joint ventures 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 Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer Note 39 to the Consolidated Ind AS Financial Statements;

   (ii) Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India;

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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 29, 2018

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 Ind AS Financial Statements for the year ended March 31, 2018.]

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 Ind AS Financial Statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Group, its associate companies and joint venture companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Group, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Holding 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 Holding 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 and to the best of our information and according to the explanation given to us and based on consideration of reporting of the other auditors as mentioned in the other matter paragraph, the Group, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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 Two (2) subsidiary companies, One (1) associate company and Two (2) joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Sumant Sakhardande
Partner
Membership No.034828

Place: Mumbai
Date : May 29, 2018

Consolidated Balance Sheet as at 31st March, 2018

(Rs. in crores)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	2 (i)	**562.02**	692.55	729.01
(b) Capital work-in-progress	2 (ii)	**23.40**	38.88	37.08
(c) Other Intangible assets	2 (iii)	**0.12**	0.16	0.10
(d) Investment in Joint Ventures and Associates	3	**1,267.46**	132.98	116.37
(e) Financial Assets				
i) Investments	4	**0.49**	0.40	0.31
ii) Other financial assets	5	**31.60**	26.62	15.52
(f) Deferred tax assets (net)	6	**2.88**	101.70	155.71
(g) Income Tax Assets (net)	7	**49.86**	43.54	39.00
(h) Other non-current assets	8	**73.46**	84.22	88.71
Total Non-current assets		**2,011.29**	1,121.05	1,181.81
2 Current Assets				
(a) Inventories	9	**1,104.98**	1,342.75	1,157.28
(b) Financial Assets				
i) Trade receivables	10	**294.27**	1,021.07	1,045.10
ii) Cash and cash equivalents	11	**16.82**	21.92	22.34
iii) Bank balances other than (ii) above	12	**50.35**	47.51	51.70
iv) Loans	13	**255.29**	150.16	148.34
v) Other financial assets	14	**586.88**	608.78	483.75
(c) Other current assets	15	**85.92**	162.85	173.58
Total Current assets		**2,394.51**	3,355.04	3,082.09
Total Assets		**4,405.80**	4,476.09	4,263.90
II EQUITY AND LIABILITIES				
Equity				
(a) Share capital	16	**141.42**	141.42	141.42
(b) Other equity	17	**938.33**	172.78	179.47
Total Equity		**1,079.75**	314.20	320.89
LIABILITIES				
1 **Non-Current Liabilities**				
(a) Financial liabilities				
i) Borrowings	18	**779.09**	1,709.30	1,639.02
ii) Other financial liabilities	19	**4.00**	4.00	3.53
(b) Provisions	20	**35.94**	40.09	41.52
(c) Deferred tax liabilities (Net)	6	**37.14**	1.88	1.88
(d) Other non-current liabilities	21	**-**	2.26	-
Total Non-current liabilities		**856.17**	1,757.53	1,685.95
2 Current liabilities				
(a) Financial liabilities				
i) Borrowings	22	**1,051.13**	988.84	920.94
ii) Trade payables	23	**938.40**	866.60	838.10
iii) Other financial liabilities	24	**369.23**	373.30	349.53
(b) Other current liabilities	25	**100.83**	168.70	140.43
(c) Provisions	26	**8.41**	6.92	8.06
(d) Current tax liabilities(Net)		**1.88**	-	-
Total Current liabilities		**2,469.88**	2,404.36	2,257.06
Total Equity and Liabilities		**4,405.80**	4,476.09	4,263.90
Significant accounting policies	1			
Notes forming part of Consolidated Financial Statement	2 - 55			

As per our attached report of even date

For and on behalf of Board of Directors

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

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

Statement of Consolidated Profit and Loss for the year ended 31st March, 2018

(Rs. in crores)

	Particulars	Notes	Year Ended 31st March 2018	Year Ended 31st March 2017
I.	**Revenue from Operations**	27	**3,527.95**	3,041.34
II.	**Other income**	28	**44.95**	31.50
III	**Total Revenue (I + II)**		**3,572.90**	**3,072.84**
IV.	**Expenses:**			
(a)	Cost of materials consumed	29	**1,816.96**	1,141.47
(b)	Purchases of Stock-in-Trade		**85.81**	38.46
(c)	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	30	**(71.44)**	(104.83)
(d)	Excise Duty		**92.19**	328.56
(e)	Employee benefits expense	31	**190.78**	175.70
(f)	Finance costs	32	**472.56**	293.59
(g)	Depreciation and amortization expense	33	**158.32**	71.50
(h)	Other Expenses	34	**1,208.75**	1,103.30
(i)	Expenditure transferred to Capital Accounts / Capital Work-in-Progress		**(6.95)**	(2.72)
	Total expenses		**3,946.98**	**3,045.03**
V.	Profit/(loss) before exceptional items and tax (III-IV)		**(374.08)**	27.81
	Add : Exceptional Items(net)	35	**1,283.40**	-
VI.	Profit/(loss) before tax and Share in Profit of Associate and Joint Venture		**909.32**	27.81
	Add: Share in Profit of Associates and Joint Ventures		**10.77**	14.01
VII.	Profit before tax		**920.09**	41.82
VIII.	Tax expense:	36		
	Current tax		**7.41**	0.13
	MAT credit entitlement		**(5.52)**	-
	Deferred Tax (Expense) / Credit		**97.61**	3.83
	Excess / (Short) provision for tax in respect of earlier years		**(0.44)**	-
	Total Tax Expense		**99.06**	3.96
	Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years		**-**	
	MAT Entitlement Lapsing		**-**	15.53
	Deferred Tax Charge due to lapsing of business loss		**-**	33.68
	Total		**99.06**	**53.17**
IX.	Profit/(Loss) for the year (VII - VIII)		**821.03**	(11.35)
X.	Other Comprehensive income (net)			
1	Items that will not be reclassified to Statement of Profit & Loss :-			
	(i) Actuarial Gain on Employee defined benefit funds		**3.29**	3.17
	(ii) Share of other comprehensive income of investments accounted for using the equity method		**(1.29)**	2.60
	Less : Deferred tax Expense		**(1.02)**	(0.98)
2	Items that will be reclassified to Statement of Profit & Loss :-			
	Exchange Fluctuation on Translating Foreign Operation		**0.08**	(0.13)
	Total Other Comprehensive income (net)		**1.06**	4.66
XI.	Total Comprehensive Income for the year (IX + X)		**822.09**	**(6.69)**
XII.	Weighted average number of Equity Shares outstanding during the year (Face Value of Rs. 10 each)		**141,405,861**	141,405,861
	Basic and diluted earnings per share (in Rs.)	37	**58.06**	(0.80)
	Significant accounting policies	1		
	Notes forming part of Consolidated Financial Statement	2 - 55		

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

Statement of Consolidated Changes in Equity for the year ended 31st March, 2018

A. Equity share capital (refer note no. 16)

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Balance at the beginning of the reporting year	**141.42**	141.42	141.42
Changes in Equity Share capital during the year	**-**	-	-
Balance at the end of the reporting year	**141.42**	141.42	141.42

B. Other Equity (refer note no. 17)

(Rs. in crores)

Particulars	Reserve and Surplus					Other Comprehensive Income (OCI)			Total
	Securities Premium reserve	Capital Redemption Reserve	General Reserve	Reserve Fund in terms of Section 45 I C (i) of Reserve Bank of India Act, 1934	Retained Earnings	Foreign currency Translation Reserve	Equity instruments through OCI	Remeasurement of defined benefit obligation through OCI	
Balance as at 1st April, 2016	**299.63**	**3.00**	**172.85**	**2.77**	**(298.78)**	**-**	**-**	**-**	**179.47**
Profit for the year	-	-	-	-	(11.35)	-	-	-	(11.35)
Other comprehensive income (net of tax)	-	-	-	-		(0.13)	2.60	2.19	4.66
Transfer to Retained earning	-	-	(3.19)	-	3.19	-	-	-	-
Balance as at 31st March, 2017	**299.63**	**3.00**	**169.66**	**2.77**	**(306.94)**	**(0.13)**	**2.60**	**2.19**	**172.78**
Profit for the year	-	-	-	-	821.03	-	-	-	821.03
Other comprehensive income (net of tax)	-	-	-	-	-	0.08	(1.29)	2.27	1.06
Transfer to Other Reserve	-	-	-	1.00	(1.00)	-	-	-	-
Adjustment on account of Scheme of Arrangement & Amalgamation (note no. 46 (i))	(199.31)	-	-	-	199.31	-	-	-	-
Adjustment on account of Scheme of Arrangement & Amalgamation (note no. 46 (ii))	-	-	-	-	(56.54)	-	-	-	(56.54)
Balance as at 31st March, 2018	**100.32**	**3.00**	**169.66**	**3.77**	**655.86**	**(0.05)**	**1.31**	**4.46**	**938.33**

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

Statement of Consolidated Cash Flow for the year ended 31st March, 2018

(Rs. in crores)

Particulars		For the year ended			
		31st March 2018		31st March 2017	
A	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before exceptional items and tax		**(374.08)**		27.81
	Adjustments for:				
	Depreciation and amortisation expenses	**158.65**		71.50	
	Surplus on account of sale of Assets	**(0.01)**		(0.74)	
	Loss on sale of assets	**3.44**		0.02	
	Loss on Sale of Investments	**8.02**		-	
	Interest expense	**442.23**		276.46	
	Dividend Income	**(1.64)**		-	
	Credit balances appropriated	**0.89**		(2.10)	
	Excess provisions written back (net)	**(6.23)**		0.05	
	Provision/(write back) for doubtful debts and advances (net)	**27.04**		(9.45)	
	Provision for warranty	**(0.08)**		(0.11)	
	Provision for Long Term & Short Term Employee Benefits	**(2.58)**		(2.80)	
	Provision for Non Performing Assets	**2.81**		0.45	
	Loss on variation in foreign exchange rate (net)	**8.79**	**641.33**	1.62	334.90
	Cash Generated from operations before working capital changes		**267.25**		362.71
	Adjustments for:				
	(Increase)/decrease in inventories	**237.77**		(185.47)	
	Decrease in trade receivables	**691.05**		31.73	
	Increase/(decrease) in other non-current & Current financial assets	**(421.27)**		18.99	
	Decrease in other non-current & Current assets	**97.63**		15.21	
	Increase in trade payables	**72.22**		30.55	
	Increase in other non-current & Current financial liabilities	**8.45**		16.50	
	Increase/(decrease) in other non-current & Current liabilities	**(34.87)**		30.53	
	Increase in non-current & Current provisions	**0.48**	**651.46**	2.72	(39.24)
	Cash generated from operations		**918.71**		323.47
	Taxes paid (net of refunds)		**(11.41)**		(4.67)
	Net cash generated from operating activities - [A]		**907.30**		318.80
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	**(46.92)**		(37.04)	
	Sale proceeds of Fixed Assets	**132.75**		0.86	
	Sale proceeds of Investments	**0.08**		-	
	Dividend Income	**1.64**		-	
	Net cash (used in) / generated from investing activities - [B]		**87.55**		(36.18)

Statement of Consolidated Cash Flow for the year ended 31st March, 2018

(Rs. in crores)

Particulars		For the year ended			
		31st March 2018		31st March 2017	
C	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Increase in working capital Loans from bank	**(102.49)**		33.51	
	Increase in other unsecured loans (net)	**(604.09)**		142.37	
	Decrease in Term Loans (Net)	**(179.28)**		(107.01)	
	Increase in Fixed Deposits taken	**17.56**		68.96	
	Interest paid	**(131.65)**		(420.87)	
	Net cash (used in) financing activities - [C]		**(999.95)**		(283.04)
	Net (decrease) in cash and cash equivalents - [A+B+C]		**(5.10)**		(0.42)
	Add: Cash and cash equivalents at the beginning of the year - (note no. 11)		**21.92**		22.34
	Cash and cash equivalents at the end of the year - (note no. 11)		**16.82**		21.92
	Significant accounting policies	1			
	Notes forming part of Consolidated Financial Statement	2 - 55			

Note:

1. In Part A of the Statement of Cash Flows, figures in brackets indicate deduction made from the net profit for deriving the net cash flow from operating activities. In Part B and Part C, figures in brackets indicate cash outflows.
2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS7-Statement of Cash Flows.
3. Refer Note no. 48 for reconciliation of liabilities arising from Financing activities.

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

Group Overview

The consolidated financial statements comprise of Mukand Limited ("the Company", "holding company", "parent"), its subsidaries, associates and joint ventures (collectively, "the Group") for the year ended 31st March, 2018.

The Company is a public limited company, incorporated and domiciled in India which mainly deals in manufacture of special alloy steel / stainless steel, billets, bars, rods, wire rods, EOT cranes, material handling equipment and other industrial machinery and comprehensive engineering services. The registered office of the Company is located at Bajaj Bhawan, Jamnalal Bajaj Marg 226, Nariman Point, Mumbai. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors of holding company and authorised for issue on May 29, 2018.

Note 1: Significant Accounting Policies followed by the Group

(a) Basis of preparation

(i) These consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The consolidated financial statements up to year ended 31st March, 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financial statements, which have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015 including Ind AS 101 First time Adoption of Ind AS.

The date of transition to Ind AS is April 01, 2016. Refer note 51 for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities that are measured at fair value

The consolidated financial statements are presented in Indian Rupees ('Rs.') which is Company's functional and presentation currency and all values are rounded to nearest crores, except when otherwise indicated.

(ii) **Current versus Non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle.

Held primarily for purpose of trading

Expected to be realized within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle.

It is held primarily for purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Intra-group balance and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and the liabilities of the subsidiary and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date on which control is lost. Any resulting gain or loss is recognised in consolidated Statement of Profit and Loss.

(iii) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement, rather than rights of its assets and obligation for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity –accounted investees until the date on which significant influence or joint control ceases.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Business combinations

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS 103, Business combinations, to only those business combinations that occurred on or after 1 April 2012 (specified date taken by the management as optional exemption under INDAS 101). In respect of business combinations prior to 1 April 2012, Goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles, if any.

In accordance with Ind AS 103, Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combinations as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at fair value on its acquisition date and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the group (referred as common control business combinations) are accounted for using the pooling of interest method except in case the control is transitory. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in financial statements of the Group in the same form in which they appeared in the consolidated financial statements of the transferor entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

(c) Property, plant and Equipment (PPE)

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non refundable taxes and duties after deducting trade discounts/rebates, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Transition to Ind AS

On the date of transition to Ind AS, the group has elected to continue with the net carrying value of property, plant and equipment recognised as at April 01, 2016 (after considering the effect of reversal of revaluation reserve under IGAAP as on April 01, 2016) measured as per previous GAAP and use that carrying value as the deemed cost of PPE.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act, except for Continuous Process Plant where useful life is considered as 18 years as per technical evaluation.

Depreciation commences when the assets are ready for their intended use.

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.

Foreign subsidiaries provides depreciation using 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.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible Assets

Intangible assets that are acquired by the group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

On transition to Ind AS

On the date of transition to Ind AS, the group has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Useful life of 3 years is considered for amortisation of intangible assets - Computer Software.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(f) Leases

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with group's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(g) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

Transaction costs relating to borrowings are considered under effective interest rate method.

(h) Impairment of Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. The group classifies its financial assets in the following measurement categories:

those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

those to be measured at amortised cost.

The classification depends on the group's business model for managing the financial assets and contractual terms of the cash flows.

Initial Recognition & Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Debt instruments at fair value through profit or loss (FVTPL)

Debt instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

Equity instruments at fair value (either through profit or loss or through other comprehensive income, if designated)

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

a) **Business Model Test:** The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following conditions are met:

a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument which does not meet the criteria for amortised cost or FVTOCI is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in the statement of profit and loss and presented net in the Statement of Profit and Loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity Instruments

For all equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may

transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Group recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

(II) Equity & Financial Liabilities

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

At amortised cost

At fair value through profit or loss (FVTPL)

Financial liabilities at amortised cost:

The Group classifies the following under amortised cost:

Borrowings from banks

Borrowings from others

Finance lease liabilities

Trade payables

Lease Deposits

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the ‘other gains and losses’ line item.

Derecognition of financial liabilities:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(III) Financial guarantees contracts :

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(IV) Derivative financial instruments

Derivative financial instruments such as forward contracts are taken by the group to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

(V) Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(j) Fair value measurement:

The Group measures financial instruments, such as, certain investments and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value (NRV). Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Raw Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost formulae used for determination of cost are ‘First in First Out’ for Raw Materials and ‘Weighted Average Cost’ for Stores and Spares.

Machinery spares, stand-by equipment and servicing equipment are recognised as inventory when the useful life is less than one year and the same are charged to the statement of profit and loss as and when issued for consumption.

(l) Taxes

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Group’s liability for current tax is calculated using the Indian (foreign country tax rate as applicable) tax rates and laws that has been enacted by the reporting date. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is not recognized for temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

(m) Provisions and Contingencies

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities & Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(n) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for compensated absences that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have any unconditional right to defer settlement for at least 12 months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund & other funds.

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit cost method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution plans

Defined Contribution Plans such as provident and other fund are charged to the Statement of Profit and Loss as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

(o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

(p) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(r) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing: the profit attributable to owners of the group by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Non-current assets held for sale

The Group classifies non-current assets as held sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognised immediately in the statement of profit and loss.

The criteria for “held for sale” classification is regarded as met only when the sale is highly probable i.e. an active program to locate a buyer to complete the plan has been initiated and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to that plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

(t) Dividend distribution to equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which it is paid.

(u) Foreign currencies

Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is group’s functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Group Companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

assets and liabilities are translated at the closing rate at the date of the balance sheet

income and expenses are translated at average exchange rates

On Consolidation, Exchange differences are recognized in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

(v) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Revenue from construction/project related activity and contracts for supply/ commissioning of plant and equipment is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

i. the amount of revenue can be measured reliably;

ii. it is probable that the economic benefits associated with the contract will flow to the Group;

iii. the stage of completion of the contract at the end of the reporting period can be measured reliably; and

iv. the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Unbilled Revenue

Difference between revenue as per percentage of completion method and billing milestone are considered as unbilled revenue and receivable from such revenue are shown as other financial assets.

In case of one of the subsidiary (NBFC Company), interest continues to be recognised for credit impaired assets (Stage 3 assets) on net carrying value.

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.

Duty Drawback Scheme

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

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

(w) Significant accounting estimates, judgements and assumptions:

The preparation of the group's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the group's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

Classification of Mukand Sumi Special Steel Ltd (MSSSL) (formerly known as Mukand Alloy Steel Ltd (MASL))as Investment in Joint Venture :

The Company has entered into addendum to Share subscription and Shareholders agreement dated 30th March, 2018 between Mukand Ltd, Sumitomo Corporation (Sumitomo) and Mukand Sumi Special Steel Ltd (MSSSL) the subsidiary company. As per the agreement between the parties, Sumitomo is entitled to nominate 3 non-executive directors on board and remaining by Mukand Ltd and key decisions shall be taken collectively by all the directors. Further, Sumitomo has also exercised their rights for appointment of directors W.e.f. 30th March 2018. Since unanimous consent is required from both the parties, the Company has joint control over MSSSL and accordingly the group has considered it as Joint Venture W.e.f. 30th March 2018 and accounted under equity method.

i. **Useful lives of property, plant and equipment:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Act and also as per management estimate for certain category of assets. Assumption also needs to be made, when group assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.

ii. **Engineering contracts Income:** Revenue is recognised based on the proportion to the stage of completion of the transaction at the reporting date. Determination of the stage of completion based on budgeted costs is very technical and is determined by the management experts.

iii. **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.

iv. **Defined benefit plan:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v. **Allowances for uncollected accounts receivable and advances:** Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

vi. **Allowances for inventories:** Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

vii. **Impairment of non-financial assets:** The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units ('CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

viii. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against Group as it is not possible to predict the outcome of pending matters with accuracy.

(x) Standard issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

i. **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment are applicable to the group w.e.f. 01st April 2018. Application of above changes in the standard are not expected to have any significant impact on the company's consolidated financial statements.

ii. **Ind AS 115, Revenue from Contract with Customers:**

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Group from 1 April 2018. The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Group is evaluating the requirement of the amendment and the impact on the consolidated financial statements.

iii. **Ind AS 12 - Income taxes**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes'. The amendments are applicable to the Group from April 01, 2018. The amendments explain how to apply the recognition and measurement requirements in Ind AS 12 Income taxes when there is uncertainty over income tax treatment. The amendment considers that:

Tax law determines which deductions are offset against taxable income in determining taxable profits.

No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

The Group is evaluating the requirement of the amendment and the impact on the consolidated financial statements.

Note 2 : Property, plant and equipment, CWIP & Intangible Assets.

For the year ended 31st March, 2018

Rs. In crores

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 01st April, 2017	Additions/ Adjustments	Deductions/ Adjustments	Adjustment on account of Transfer of Business	As at 31st March, 2018	As at 01st April, 2017	Depreciation for the year #	Deductions/ Adjustments	Adjustment on account of Transfer of Business	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
i) Property, plant and equipment												
Freehold Land	14.44	6.46	0.23	4.29	**16.38**	-	-	-	-	**-**	**16.38**	14.44
Railway Siding	13.82	-	-	-	**13.82**	6.95	1.02	-	-	**7.97**	**5.85**	6.87
Buildings and Roads	196.12	3.23	-	-	**199.35**	94.45	5.63	-	-	**100.08**	**99.27**	101.67
Plant and Machinery	1,527.27	49.79	5.62	343.23	**1,228.21**	962.73	48.82	8.03	210.05	**793.47**	**434.74**	564.54
Furniture, Fixtures, etc.	9.56	0.37	2.03	0.18	**7.72**	6.25	0.40	2.15	-	**4.50**	**3.22**	3.31
Office Machinery	2.59	0.10	0.42	-	**2.27**	2.42	0.12	0.40	-	**2.14**	**0.13**	0.17
Vehicles	3.89	1.50	0.36	-	**5.03**	2.34	0.44	0.18	-	**2.60**	**2.43**	1.55
Total	**1,767.69**	**61.45**	**8.66**	**347.70**	**1,472.78**	**1,075.14**	**56.43**	**10.76**	**210.05**	**910.76**	**562.02**	**692.55**
ii) Capital Work-in-Progress, expenditure todate											**23.40**	38.88
iii) Other Intangible Assets												
Software	1.64	-	-	-	**1.64**	1.49	0.03	-	-	**1.52**	**0.12**	0.16
Goodwill	0.15	-	-	-	**0.15**	0.15	-	-	-	**0.15**	**-**	-
Total	**1.79**	**-**	**-**	**-**	**1.79**	**1.64**	**0.03**	**-**	**-**	**1.67**	**0.12**	**0.16**
Total (i) + (ii) + (iii)	**1,769.48**	**61.45**	**8.66**	**347.70**	**1,474.57**	**1,076.78**	**56.46**	**10.76**	**210.05**	**912.43**	**585.54**	**731.59**

current year depreciation and amortisation expenses includes Rs. 101.86 crores of the Joint Venture which was treated as subsidiary till 29th March, 2018 in accordance with IND-AS 110.

Note 2 : Property, plant and equipment, CWIP & Intangible Assets.

For the year ended 31st March, 2017

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01st April, 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2017	As at 01st April, 2016	Depreciation for the year	Deductions/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 01st April, 2016
i) Property, plant and equipment										
Freehold Land	14.38	0.06	-	14.44	-	-	-	-	14.44	14.38
Railway Siding	13.82	-	-	13.82	5.93	1.02	-	6.95	6.87	7.89
Buildings and Roads	195.26	0.88	0.02	196.12	89.10	5.36	0.01	94.45	101.67	106.16
Plant and Machinery	1,494.85	32.72	0.30	1,527.27	899.23	63.77	0.27	962.73	564.54	595.62
Furniture, Fixtures, etc.	8.52	1.12	0.08	9.56	5.75	0.57	0.07	6.25	3.31	2.77
Office Machinery	2.50	0.09	-	2.59	2.27	0.15	-	2.42	0.17	0.24
Vehicles	4.12	0.14	0.37	3.89	2.16	0.45	0.27	2.34	1.55	1.95
Total	**1,733.45**	**35.01**	**0.77**	**1,767.69**	**1,004.44**	**71.32**	**0.62**	**1,075.14**	**692.55**	**729.01**
ii) Capital Work-in-Progress, expenditure todate									38.88	37.08
iii) Other Intangible Assets										
Software	1.55	0.09	-	1.64	1.45	0.03	-	1.48	0.16	0.10
Goodwill	-	0.15	-	0.15	-	0.15	-	0.15	-	-
Total	**1.55**	**0.24**	**-**	**1.79**	**1.45**	**0.18**	**-**	**1.63**	**0.16**	**0.10**
Total (i) + (ii) + (iii)	**1,735.00**	**35.25**	**0.77**	**1,769.48**	**1,005.89**	**71.50**	**0.62**	**1,076.77**	**731.59**	**766.19**

Other Notes :

(i) Certain property , plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 18 & 22 on borrowings.

(ii) Refer to Note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Property Plant & Equipment include borrowing costs of Rs. 1.61 crore capitalised during the year (31st March,2017 Rs.2.13 crore, 01st April,2016 Rs 1.64 crore).

(iv) Capital work in progress comprises of Property Plant & Equipment under construction and pre-operative expenses & interest pending allocation.

(v) Gross Block of Buildings as at 31st March, 2018 includes value of offices, residential flats and garages in co-operative societies/proposed co-operative societies/association of apartment owners aggregating Rs.6.33 crore at cost (31st March,2017 - Rs.6.33 crore, 01st April, 2016 - Rs 6.34 crore) [including cost of shares in co-operative societies Rs. 7,000/- (31st March, 2017- Rs.7,000/-, 01st April, 2016 - Rs 7,000/-)].

(vi) On transation to Ind AS, the Company has elected to continue with the carrying value of all its property, plant & equipment recognised as at 1 April 2016 measured as per GAAP, which in case of Company , corresponds with carrying costs measured in accordance with Ind AS 16 Property, Plant & Equipment.

Notes (contd.)

Note 3: Investments in Associates and Joint Ventures

(Rs in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investments in equity instruments			
(A) Investments in Associates			
(i) Mukand Engineers Limited (Quoted)			
4,539,781 (March 31, 2017: 4,539,781 ; April 1,2016: 4,539,781) equity shares of Rs. 10/- each fully paid up	**19.78**	19.78	19.78
Opening Share of post acquisition accumulated Profit/(Loss)	**11.19**	9.53	9.53
Share of Current Profit/(Loss)	**(3.92)**	(0.94)	-
Share of Other Comprehensive Income	**(1.29)**	2.60	-
	25.76	30.97	29.31
(ii) Stainless India Limited (Unquoted)			
6,097,200 (March 31, 2017: 6,097,200 ; April 1,2016: 6,097,200) equity shares of Rs. 10/- each fully paid up	**13.68**	13.68	13.68
Opening Share of post acquisition accumulated Profit/(Loss)	**(13.68)**	(13.68)	(13.68)
	-	-	-
(iii) Bombay Forgings Limited (Unquoted)			
28,800 (March 31, 2017: 28,800 ; April 1,2016: 28,800) equity shares of Rs. 10/- each fully paid up	**0.19**	0.19	0.19
Opening Share of post acquisition accumulated Profit/(Loss)	**(0.19)**	0.03	7.88
Share of Current Profit/(Loss)	**-**	(0.22)	-
Provision for diminution in value of investment	**-**	-	(7.85)
	(0.00)	(0.00)	0.22
Investment in Associates (A)	**25.76**	30.97	29.53
(B) Investments in Joint Ventures (unquoted)			
(i) Mukand Sumi Metal Processing Limited			
16,400,000 (March 31, 2017: 16,400,000; April 1,2016: 16,400,000) equity shares of Rs. 10/- each fully paid up	**163.56**	163.56	163.56
Opening Share of post acquisition accumulated Profit/(Loss)	**(61.55)**	(76.72)	(76.72)
Share of Current Profit/(Loss)	**14.69**	15.17	-
	116.70	102.01	86.84
(ii) Mukand Sumi Special Steel Limited (MSSSL)		-	-
(formerly known as Mukand Alloy Steel Ltd)			
21,208,729 equity shares of Rs. 10/- each fully paid up	**0.18**	-	-
Opening Share of post acquisition accumulated Profit/(Loss)	**(52.90)**	-	-
Share of Current Profit/(Loss)	**(119.14)**	-	-
Adjustment on account of loss of control (fair value of retained investment) - (Refer note - 35)	**1,296.86**	-	-
	1,125.00	-	-
(iii) Hospet Steels Limited			
70,004 (March 31, 2017: 70,004 ; April 1,2016: 70,004) equity shares of Rs. 10/- each fully paid up	**0.10**	0.10	0.10
Share of post acquisition accumulated Profit/(Loss)	**(0.10)**	(0.10)	(0.10)
	-	-	-
(iv) Mukand Vini Mineral Ltd			
852,800 (March 31, 2017: 852,800 ; April 1,2016: 852,800) equity shares of Rs. 10/- each fully paid up	**0.85**	0.85	0.85
Share of post acquisition accumulated Profit/(Loss)	**(0.85)**	(0.85)	-
Share of Current Profit/(Loss)	**-**	-	(0.85)
	-	-	-
Investment in Joint Ventures (B)	**1,241.70**	**102.01**	**86.84**
Total investment in Associates and Joint ventures (A + B)	**1,267.46**	**132.98**	**116.37**
Aggregate amount of quoted investments	**25.76**	30.97	29.31
Market Value of quoted investments	**16.62**	22.02	11.26
Aggregate amount of unquoted investments	**1,241.70**	102.01	87.06
Aggregate amount of impairment in the value of investments	**-**	-	-

Notes (contd.)

Note 4: Non-Current Investments

(Rs in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A) Investment in Equity Instruments			
i) Quoted investments carried at Fair value through Profit and Loss			
Bajaj Holdings & Investment Limited			
850 (March 2017: 850; March 2016: 850) Equity Shares of Rs.10/- each, fully paid up	**0.23**	0.18	0.12
ICICI Bank Limited			
9,625 (March 2017: 8750; March 2016: 8750) Equity Shares of Rs.2/- each, fully paid up (Issued Bonus Equity Shares in the ratio of 1:10 during the year)	**0.26**	0.22	0.19
Total Other Investments	**0.49**	0.40	0.31
Aggregate amount of quoted investments	**0.49**	0.40	0.31
Market Value of quoted investments	**0.49**	0.40	0.31
Aggregate amount of unquoted investments	**-**	-	-
Aggregate amount of impairment in the value of investments	**-**	-	-

Note 5: Others financial assets - non current

(Rs in crores)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured, considered good unless otherwise stated			
Security & Other Deposits	**16.96**	13.73	14.12
Margin Money Deposits (under lien with Banks)	**14.60**	12.85	1.36
Others	**0.04**	0.04	0.04
Total	**31.60**	**26.62**	**15.52**

Note 6: Deferred tax assets/liabilities (net)

(Rs. In crores)

Particulars	As at 01st April, 2016	(Charged) / Credited to P & L	(Charged) / Credited to OCI	As at 31st March, 2017	(Charged) / Credited to P & L	(Charged) / Credited to OCI	Other Adjustment *	As at 31st March, 2018
Provision for Employee benefits	12.90	2.28	(0.98)	14.20	(1.58)	(1.02)	-	**11.60**
Taxes and duties	0.25	-	-	0.25	-	-	-	**0.25**
Provision for doubtful debts	37.57	(6.76)	-	30.81	(0.49)	-	-	**30.32**
Unabsorbed depreciation / Business Loss	150.38	(38.07)	-	112.31	66.82	-	-	**179.13**
Difference between book depreciation and tax depreciation	(118.80)	4.23	-	(114.57)	22.96	-	-	**(91.61)**
Effect of measurement of Financial Instruments	0.36	(2.26)	-	(1.90)	(68.67)	-	-	**(70.57)**
Others	(1.88)	(0.15)	-	(2.03)	1.71	-	-	**(0.32)**
Effect of Deferred Tax on CFS adjustments	25.15	3.22		28.37	(118.37)		(40.96)	**(130.96)**
MAT Entitlement Credit	47.90	(15.53)	-	32.38	5.52	-	-	**37.90**
Total	**153.83**	**(53.04)**	**(0.98)**	**99.82**	**(92.10)**	**(1.02)**	**(40.96)**	**(34.26)**

* Deferred Tax Assets relating to one of the subsidiary Mukand Sumi Special Steel Ltd (MSSSL) which is now treated as a joint ventue as on 30th March, 2018 is accounted based on equity method.

(Rs in crores)

Summary of Deferred Tax Asset/Liabilities :	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Asset	**2.88**	101.70	155.71
Deferred Tax Liabilities	**37.14**	1.88	1.88
Total (net)	**(34.26)**	**99.82**	**153.83**

Notes (contd.)

Note 7: Income tax assets (net)

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Payment of Taxes	**60.42**	48.73	44.19
Less: Provision for tax	**(10.56)**	(5.19)	(5.19)
Total (net)	**49.86**	43.54	39.00

Note 8: Other non-current assets

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Government Authorities*	**37.11**	43.80	46.91
Lease Hold Land - Long Term Prepaid Rental Expenses	**25.38**	25.70	26.03
Capital Advances	**10.97**	14.72	15.77
Total	**73.46**	**84.22**	**88.71**

* Includes National Savings Certificates of the cost of Rs 44,000/-(31st March 2017 : Rs. 44,000/-, 01st April 2016 : Rs. 44,000/-) deposited with government departments.

Note 9: Inventories

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials	**251.18**	194.02	111.47
Work-in-progress	**56.57**	117.15	130.68
Finished goods	**712.04**	981.60	855.59
Stores, Spares, Components and Engineering Construction Materials	**78.34**	39.28	51.89
Loose Tools	**0.13**	0.09	0.08
Contracts in Progress	**5.44**	9.38	6.46
Fuel	**1.28**	1.23	1.11
Total	**1,104.98**	**1,342.75**	**1,157.28**
Included in inventories - goods in transit as follows :			
Raw materials	**153.51**	93.61	50.22
Stores, Spares, Components and Engineering Construction Materials	**16.51**	4.02	10.41
Total	**170.02**	97.63	60.63

Note (i): Certain inventories stated above are hypothecated to working capital lenders, Also refer note no 18 & 22

Note (ii): Amounts recognised in Statement of Profit and loss:

Written-down of Stores & Spares to net realisable value amounted to Rs 0.18 crore (31st March, 2017 Rs 0.15 crore). These were recognised as an expense during the year and included in the Statement of Profit and Loss

Note 10: Trade receivables

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good	**294.27**	1,021.07	1,045.10
Unsecured, Considered doubtful	**54.61**	61.75	74.91
Less : Provision for Expected Credit loss	**(54.61)**	(61.75)	(74.91)
Total	**294.27**	**1,021.07**	**1,045.10**

Note (a): No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

Note (b): The company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 50

Note (c): For receivables secured against borrowings, see Note 18 & 22

Note (d): For receivables due from related parties, refer Note 45

Notes (contd.)

Note 11: Cash and cash equivalents

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks in current account	**6.49**	11.60	12.24
Cheques on hand	**-**	3.47	0.40
Cash on hand *	**1.33**	0.17	0.16
Other bank balances			
Remittances in Transit	**9.00**	6.68	9.54
Total	**16.82**	**21.92**	**22.34**

There are no restrictions with regards to bank balances as at the end of the reporting period and prior periods.

* Cash on hand includes stock of stamp papers of Rs. Nil, (31st March, 2017 : Rs. 0.06 crores, 01st April, 2016 : Rs. 0.06 crores)

Note 12: Other Bank Balances

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with banks in			
Unpaid dividend Accounts	**0.06**	0.11	0.11
In Margin Money Accounts *	**42.92**	44.19	48.23
In Deposit Accounts	**7.37**	3.21	3.36
Total	**50.35**	47.51	51.70

*under lien with banks

Note 13: Loans - Current

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Loans to Others	**271.64**	154.64	153.26
Less : Provision for expected credit loss	**(16.35)**	(4.48)	(4.92)
Total	**255.29**	150.16	148.34

Note:

(a) No loans due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(b) The Company has investments of Rs. 0.19 crore (31st March, 2017 Rs.0.19 crore & 01st April, 2016 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.86.30 crore as at 31st March, 2018 (31st March, 2017 Rs.81.82 crore & 01st April, 2016 Rs. 78.09 crore) (collectively referred to as 'Exposures'). Net worth of BFL has turned positive and BFL is no longer a sick industrial company. BIFR has discharged BFL from the purview of provisions of SICA. The management, considering its long term view on the 'Exposures' relies upon the valuation of unencumbered fixed assets of BFL as at 31st March, 2018 which was at Rs. 69.24 crore , value of current assets aggregating Rs.54.10 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.

(c) Please refer Note No. 50 for Financial risk disclosure

(d) For details of loans given to related parties, please refer Note No. 45

Note 14: Other Financial Assets - Current

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good unless otherwise stated			
Unbilled Revenue	**276.77**	270.07	296.93
Less : Provision for expected credit loss	**(25.22)**	(27.81)	(27.81)
	251.55	242.26	269.12
Interest Receivable	**43.34**	366.06	213.56
Employee advances	**0.41**	0.27	0.30
Other Receivable from Joint Venture (Refer Note 46)	**291.57**	-	-
Deposits	**0.01**	0.19	0.77
Total	**586.88**	608.78	483.75

Notes (contd.)

Note 15: Other current assets

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances to suppliers and others	**64.59**	116.02	154.94
Balances with statutory/government authorities	**16.84**	5.21	4.75
Export Benefits receivables	**2.58**	2.79	2.02
Prepaid expenses	**1.91**	22.05	8.69
Others	**-**	16.78	3.18
Total	**85.92**	**162.85**	**173.58**

Note 16 : Equity Share Capital

(a) Authorised & Issued Share capital:

(Rs. in crores)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Share Capital			
153,000,000 (March 31, 2017: 153,000,000 and April 01, 2016:153,000,000) Equity Shares of INR 10 each	**153.00**	153.00	153.00
Issued Share Capital			
146,273,934 (March 31, 2017: 146,273,934 and April 01, 2016:146,273,934) Equity Shares of INR 10 each *	**146.27**	146.27	146.27
	146.27	**146.27**	**146.27**

*** Includes 28,031 shares which have been kept in abeyance by the stock exchange authorities.**

(b) Subscribed and paid capital

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
141,405,861 (March 31, 2017: 141,405,861; April 1, 2016: 141,405,861) Equity shares of INR 10 each	**141.41**	141.41	141.41
Forfeited shares (amount originally paid up)	**0.01**	0.01	0.01
Total subscribed and fully paid share capital	**141.42**	**141.42**	**141.42**

(c) Reconciliation of number of equity shares

(Rs. in crores)

Particulars	31 March 2018		31 March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	**141,405,861**	**141.41**	141,405,861	141.41
Increase/Decrease during the year	**-**	**-**	-	-
Balance as at the end of the year	**141,405,861**	141.41	141,405,861	141.41

(d) Details of shareholders holding more than 5% shares in the company

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Jamanlal Sons Private Limited	**28,334,773**	**20.04%**	26,293,322	18.59%	26,293,322	18.59%
Life insurance Corporation of India	**5,345,785**	**3.78%**	7,228,076	5.11%	7,228,076	5.11%
Bajaj Holdings & Investments Limited	**8,113,564**	**5.74%**	8,113,564	5.74%	8,113,564	5.74%
Baroda Indusrtries Private Limited	**15,726,616**	**11.12%**	15,726,616	11.12%	15,726,616	11.12%
Niraj Bajaj	**11,786,730**	**8.34%**	11,786,730	8.34%	11,802,997	8.35%
Rajesh V. Shah	**7,200,842**	**5.09%**	7,200,842	5.09%	7,200,842	5.09%

(e) Rights, preferences and restrictions attached to 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 2018, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31st March 2017 : Rs. Nil) (01st April 2016 : Rs. Nil).

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

Notes (contd.)

(f) 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.

(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.

(i) 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.

Note 17 : Other Equity

(Rs. in crores)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital redemption reserve	(i)	**3.00**	3.00	3.00
Securities Premium Reserve	(ii)	**100.32**	299.63	299.63
Reserve Fund in terms of Section 45 I C (i) of Reserve Bank of India Act, 1934	(iii)	**3.77**	2.77	2.77
Foreign Exchange Fluctuation Reserve	(iv)	**(0.05)**	(0.13)	-
General Reserve	(v)	**169.66**	169.66	172.85
Retained Earnings	(vi)	**655.86**	(306.94)	(298.78)
Equity Instruments at Fair value through Other Comprehensive Income	(vii)	**1.31**	2.60	-
Remeasurement of defined benefit obligation through Other Comprehensive Income	(viii)	**4.46**	2.19	-
Total		**938.33**	172.78	179.47

(i) Capital Redemption Reserve

Capital Redemption Reserve was created by the holding company for redemption of preference shares

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	**3.00**	3.00	3.00
Movement during the year	**-**	-	
Balance at the end of the year	**3.00**	3.00	3.00

(ii) Securities Premium

Securities Premium Reserve is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	**299.63**	299.63	299.63
Adjustment on account of Scheme of Arrangement & Amalgamation (note no. 46 (i))	**(199.31)**	-	
Balance at the end of the year	**100.32**	**299.63**	**299.63**

(iii) Reserve Fund in terms of Section 45 I C (i) of Reserve Bank of India Act, 1934

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	**2.77**	2.77	2.77
Transfer from Retained Earnings	**1.00**	-	-
Balance at the end of the year	**3.77**	2.77	2.77

(iv) Foreign Exchange Fluactuation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year (refer note no. 51 A (v))	**(0.13)**	-	-
Movement during the year - OCI	**0.08**	(0.13)	-
Balance at the end of the year	**(0.05)**	(0.13)	-

Notes (contd.)

(v) General Reserve

General Reserve represents appropriations of retained earnings and are available for distribution to shareholders.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	**169.66**	172.85	172.85
Transfer to Retained Earnings	**-**	(3.19)	-
Balance at the end of the year	**169.66**	**169.66**	**172.85**

(vi) Retained Earnings

Retained Earnings are the profits of the company earned till date net of appropriations.

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**(306.94)**	(298.78)
Movement during the year	**821.03**	(11.35)
Transfer to Reserve Fund	**(1.00)**	-
Transfer from General Reserve	**-**	3.19
Adjustment on account of Scheme of Arrangement & Amalgamation (note no. 46 (i))	**199.31**	-
Adjustment on account of Scheme of Arrangement & Amalgamation (note no. 46 (ii))	**(56.54)**	-
Balance at the end of the year	**655.86**	(306.94)

(vii) Equity Instruments at Fair value through Other Comprehensive Income

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	**2.60**	-	-
Movement during the year - OCI	**(1.29)**	2.60	-
Balance at the end of the year	**1.31**	**2.60**	**-**

(viii) Remeasurement of defined benefit obligation through Other Comprehensive Income

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	**2.19**	-	-
Movement during the year - OCI	**2.27**	2.19	-
Balance at the end of the year	**4.46**	**2.19**	**-**

Note 18: Non-current borrowings

(Rs. in crores)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured				
Term loans from				
- From Banks	(a)	**60.03**	168.95	240.27
- From Others	(b)	**89.47**	160.94	195.49
		149.50	329.89	435.76
Less : Transaction costs on borrowings		**(0.57)**	(1.68)	(0.54)
Total Secured Borrowings		**148.93**	328.21	435.22
Unsecured				
- Fixed deposits		**116.41**	98.85	29.89
- From Others - Long term loans from companies		**509.78**	1,278.65	1,170.67
Preference Share Liability	(c)			
5,626,320 0.01% Cumulative Redeemable Preference Shares of Rs 10/- each, fully paid up		**3.97**	3.59	3.24
Total		**779.09**	1,709.30	1,639.02

Nature of Security & Terms of repayment of Borrowings - Current and Non Current Term Loan **Rs. in crore**

		As at 31-Mar-18			As at 31-Mar-17			As at 01-April-16			Terms of Repayment		Nature of Security
I)	Original Amount	**Non-current**	**Current**	**Total**	Non-current	Current	Total	Non-current	Current	Total	Installments in months	Commencing From	
1	From Banks:												
I	50.00	**17.71**	**12.50**	**30.21**	30.21	12.84	43.05	43.05	6.95	50.00	36	Nov.'2016	First pari-passu charge against mortgage/ hypothecation of Company's 40.47 hectare of 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 186 acre 10 gunthas of freehold land, immovable and movable fixed assets both present and future of the Company at its existing steel plant at Ginigera/ Kankapura, Dist. Ginigera in the State of Karnataka except assets given as security for term loans at 1(VII), 2(XVII) to (XIX) below. These loans are also secured by way of a second and subservient pari-passu charge on stocks (excluding machinery spares) and book debts.
II	50.00	**9.69**	**16.68**	**26.37**	26.37	16.34	42.71	42.71	7.29	50.00	48	Aug.'2016	
III	50.00	**16.67**	**12.43**	**29.10**	29.17	12.50	41.67	41.67	8.33	50.00	48	Sept.'2016	
IV	50.00	**-**	**30.80**	**30.80**	30.80	14.40	45.20	44.00	6.00	50.00	42	Oct.'2016	
V	50.00	**-**	**28.40**	**28.40**	28.40	14.40	42.80	41.60	8.40	50.00	42	Dec.'2016	
VI	30.00	**15.96**	**8.04**	**24.00**	24.00	3.00	27.00	27.25	2.75	30.00	60	May'2016	Mortgage of two residential premises at Mumbai.
VII	35.00	**-**	**-**	**-**	-	-	-	-	6.99	6.99	60	Apr.'2012	Hypothecation of plant and machinery and other moveable assets of captive power plant at Ginigera/ Kanakapura, Dist. Ginigera in State of Karnataka.
2	From Other Parties :												
I	75.00		**-**	**-**	-	9.22	9.22	9.38	27.50	36.88	36	Aug.'2014	Mortgage of 50 acres of lease hold land at Dighe, Thane
II	60.00	**-**	**10.48**	**10.48**	10.47	21.97	32.44	32.77	18.76	51.53	36	Oct.'2015	Mortgage of 50 acres of lease hold land at Dighe, Thane and 43.14 acres of leasehold land at Sinnar Dist - Nashik in the state of Maharashtra.
III	50.00	**-**	**-**	**-**	-	2.00	2.00	2.00	48.00	50.00	13	April'2016	
IV	75.00	**5.25**	**28.12**	**33.37**	33.36	25.05	58.41	58.97	16.03	75.00	36	July'2016	
V	75.00	**26.43**	**25.66**	**52.09**	52.06	22.94	75.00	75.00	-	75.00	36	April'2017	
VI	50.00	**31.40**	**15.09**	**46.49**	46.48	3.52	50.00	-	-	-	36	Jan.'2018	
VII	100.00	**-**	**-**	**-**	-	100.00	100.00	-	-	-	6	Sept.'2017	
VIII	60.00	**-**	**60.00**	**60.00**		-	-	-	-	-	6	Apr.'2018	
IX	50.00	**-**	**-**	**-**	-	-	-	-	14.40	14.40	36	Nov.'2013	Mortgage of 50 acres of lease hold land at Dighe, Thane
X	50.00	**-**	**-**	**-**	-	-	-	-	11.22	11.22	36	Jan.'2014	
XI	15.00	**-**	**-**	**-**	-	1.37	1.37	1.37	7.84	9.21	24	June'2015	Mortgage of 5 acres of leasehold land at Dighe Thane.
XII	11.00	**-**	**-**	**-**	-	4.03	4.03	4.03	4.37	8.40	30	Aug.'2015	Extension of mortgage of 5 acres Leasehold Land at Dighe Thane and residential premises at Delhi.
XIII	8.68	**-**	**-**	**-**	-	3.50	3.50	3.50	3.39	6.89	30	Sept.'2015	Mortgage of residential premises at Mumbai.
XIV	14.00	**-**	**-**	**-**	-	-	-	-	6.14	6.14	30	Oct.'2014	Mortgage of residential premises at Delhi.
XV	25.00	**7.45**	**10.03**	**17.48**	17.48	7.52	25.00	-	-	-	30	June.'2017	Mortgage of residential premises at Mumbai, residential premises at Delhi and 5 acres of lease hold land at Dighe,Thane.
XVI	25.00	**16.68**	**8.32**	**25.00**	-	-	-	-	-	-	30	May'2018	
XVII	50.00	**-**	**-**	**-**	-	1.27	1.27	1.27	14.05	15.32	58	July'2012	Hypothecation of Plant & Machinery at Dighe, Thane, the charge being subservient to lenders at 1 above & for working capital facilities.
XVIII	37.45	**-**	**-**	**-**	-	7.20	7.20	7.19	9.56	16.75	58	Feb.'2013	Hypothecation of Plant & Machinery of Sinter Plant, Hot Blast Stoves and Pulverising Plant at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka
XIX	6.42	**2.26**	**1.58**	**3.84**	1.09	0.30	1.39	-	-	-	36	April'2017	Hypothecation of Plant & Machinery - Ultrasonic Testing Machine at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka .
	1,152.55	**149.50**	**268.13**	**417.63**	329.89	283.37	613.26	435.76	227.97	663.73			

Note (a) : Rate of interest on above loans is in the range 11.85% p.a. to 15.00% p.a.

Note (b) : For details of loans received from related parties, please refer Note No. 45

Note (c) : Terms of redemption of Cumulative reedemable preference shares (CRPS)

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

Notes (contd.)

Shareholders holding more than 5 %

CRPS of Rs. 10/- each fully paid	31st March, 2018		31st March, 2017	
	Numbers	% holding in the class	Numbers	% holding in the class
Life Insurance Corporation of India	**595,545**	**10.58%**	595,545	10.58%
Jamnalal Sons Pvt. Ltd.	**474,064**	**8.43%**	474,064	8.43%
As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.				

Note (d): The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Note 19: Other Financial Liabilities - non-current

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposit	**4.00**	4.00	3.53
Total	**4.00**	4.00	3.53

Note 20: Provisions - non current

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits (refer note no. 47)	**35.94**	40.09	41.52
Total	**35.94**	40.09	41.52

Note 21: Other non-current liabilities

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Creditors for Statutory Dues (anti dumping duty payable)	**-**	2.26	-
Total	**-**	2.26	-

Note 22: Borrowings - current

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
- Working capital loans from Banks	**537.58**	640.07	606.56
Unsecured			
- from others	**513.55**	348.77	314.38
Total	**1,051.13**	988.84	920.94

Note (a): Details of security

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. 18 (I) (1).

Assets excluded from security given to secured lenders at Note No. 18 & 22

Note : Security given for the term loans at Note No. 18 (I) and working capital facilities mentioned above exclude :

i) 50 acres, 4 gunthas, 8 annas of grant land at Kalwe and Dighe, Dist. Thane in the State of Maharashtra.

ii) Leasehold land at Dighe, Thane, as it is mortgaged to Lenders covered at Note No.18 (I) (2) (I) to (XII)

iii) 48.90 acres of Freehold land acquired at Ginigera / Kankapura, District Ginigera in the State of Karnataka.

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. 18 (I) (2) (XVIII).

v) Plant and Machinery at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.18 (I) (2) (XIX).

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

vii) Plant and machinery and other moveable assets of captive power plant at Ginigera/Kanakapura, Dist. Ginigera in State of Karnataka.

viii) All other Property Plant & Equipment 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.

Note (b): The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Notes (contd.)

Note 23: Trade Payables

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Due to Micro and small enterprises	**2.13**	0.70	1.95
Other than Micro and small enterprises			
- Acceptances	**299.67**	421.14	374.45
- Other trade payables	**636.60**	444.76	461.70
Total	**938.40**	866.60	838.10

For Payables to related parties, refer Note 45

Note 24: Other Current Financial Liabilities

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long-term debts	**297.19**	283.37	269.70
Less : Transaction costs on borrowings	**(3.06)**	(2.64)	(2.79)
	294.13	280.73	266.91
Interest accrued on Borrowings	**47.03**	59.17	51.08
Unpaid dividend*	**0.06**	0.11	0.11
Unpaid maturity deposits	**0.60**	1.34	1.89
Employee related liabilities	**9.13**	8.77	8.76
Creditors for capital goods	**15.82**	19.77	17.99
Others	**2.46**	3.41	2.79
Total	**369.23**	373.30	349.53

* There are no amounts due for payment to Investors Education and Protection Fund as at the year end under section 125 of the Act.

Note 25: Other Current Liabilities

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Creditor for Statutory Dues	**15.22**	109.58	101.50
Advances from customers	**85.41**	58.94	38.31
Other payables	**0.20**	0.18	0.62
Total	**100.83**	168.70	140.43

Note 26: Provisions - Current

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits (refer note no. 47)	**7.95**	6.54	7.79
Provision for Warranty Costs (refer note - 'a' below)	**0.46**	0.38	0.27
Total	**8.41**	6.92	8.06

Note :

(a) Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Opening Balance	**0.38**	0.27	0.61
Provision recognised during the year	**0.46**	0.38	0.27
Amount utilised during the year	**(0.30)**	(0.46)	(0.45)
Amount reversed/short provision during the year	**(0.08)**	0.19	(0.16)
Closing Balance	**0.46**	0.38	0.27

Notes (contd.)

Note 27: Revenue from Operations

(Rs. in crores)

Particulars			For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
i) -	Revenue from Operations			
	a)	Sale of product and services		
		Special Alloy Steel Products	**2,106.65**	1,514.79
		Stainless Steel Products	**1,083.18**	1,155.78
		Job Works & Others	**202.44**	152.43
		Engineering Contracts (refer note no. a & b below)	**68.24**	188.89
	b)	Interest from Financing Activity	**21.84**	12.96
		A	**3,482.35**	3,024.85
ii) -	Other operating revenue			
	Sale of Scrap and Sundries		**13.05**	6.50
	Sales-tax/VAT Refunds		**-**	1.11
	Insurance Claims etc.		**0.38**	1.19
	Credit balances appropriated		**0.89**	2.10
	Excess provisions written back (net)		**6.23**	(0.05)
	Surplus on account of sale of assets		**0.01**	0.05
	Advisory and other fees		**0.02**	0.02
	Other Miscellaneous receipts		**25.02**	5.57
		B	**45.60**	16.49
Total Revenue from Operations (A + B)			**3,527.95**	3,041.34

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

(Rs. in crores)

Particulars		For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
i)	The amount of Contract revenue recognised as revenue during the year.	**1.42**	-
ii)	The aggregate amount of costs incurred and recognised profits (less recognised losses) upto each reporting date.	**751.73**	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	**57.36**	48.36

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. The exposure on this account as at 31st March 2018 aggregated Rs.123.97 Crore as compared to Rs.113.54 Crore as at 31st March 2017. The outcome of the Road Construction activity cannot be estimated with certainty at present. The amount of total claims excluding interest with NHAI now aggregates Rs.288.23 Crore (as at 31.03.2017: Rs.288.42 Crore). Considering the bulk of these claims are now being processed at various appellate fora and all the losses expected are already recognized till the close of the period, in the opinion of the management, all the claims are fully realizable as also opined by a legal Consultant. These claims are likely to be realized progressively over a period of next 2 to 3 years.

(b) : Disclosure regarding Income from Contracts of Industrial Machinery Division to which Indian Accounting Standard 11 applies :

(Rs. in crores)

Particulars		For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
i)	The amount of Contract revenue recognised as revenue during the year.	**66.82**	152.43
ii)	The aggregate amount of costs incurred and recognised profits (less recognised losses) upto each reporting date	**1,843.45**	1,783.18
iii)	The amount of advances received (Gross)	**16.84**	11.91
iv)	The amount of retentions (included in sundry debtors) (net balance)	**91.75**	78.27
v)	Amount due to customers	**-**	-
vi)	Amount due from customers	**210.18**	204.95

Notes (contd.)

Note 28: Other income

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Rent received	**1.15**	1.68
Interest Received - From Customers/Banks/Others	**25.42**	11.86
Dividend Income	**1.64**	-
Net gain on foreign currency transactions and translation	**0.03**	-
Profit on sale of Premises	**-**	0.69
Delay Payment Charges Received	**9.28**	16.10
Others	**7.43**	1.17
Total	**44.95**	31.50

Note 29: Cost of materials consumed

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Opening Stock	**100.41**	61.25
Add : Purchase	**1,726.27**	1,180.63
	1,826.68	1,241.88
Adjustments for Stocks of ASRFB undertaking transferred	**87.95**	-
Less : Closing stock	**(97.67)**	(100.41)
Total	**1,816.96**	1,141.47

Note 30 : Changes in inventories of Work-in-Progress, Finished Goods and Contracts in Progress

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Opening Stock	**1,108.13**	992.73
Less : Closing stock including stock of ASRFB	**(1,000.82)**	(1,108.13)
Variation in stock	**107.31**	(115.40)
Adjustments for Stocks of ASRFB undertaking transferred	**(82.09)**	-
(Increase)/Decrease in Excise Duty on Opening & Closing Stocks of Finished Goods, net of Excise Duty on Stocks of ASRFB undertaking transferred	**(96.66)**	10.57
Net increase/(decrease) in stocks	**(71.44)**	(104.83)

Note 31: Employee benefits expense

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Salaries, Wages, Bonus, Compensation and Other Payments	**158.12**	143.99
Contribution towards Employees' State Insurance, Provident and Other Funds	**18.24**	17.71
Staff welfare expenses	**14.42**	14.00
Total	**190.78**	175.70

Notes (contd.)

Note 32: Finance costs

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Interest cost on financial liabilities measured at amortized cost	**469.09**	290.45
Less : Interest capitalised	**(1.61)**	(2.13)
Other Borrowing Costs	**5.08**	5.27
Total	**472.56**	293.59

Note 33: Depreciation and amortisation expense

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Depreciation of property, plant and equipment	**66.58**	71.50
Amortisation of intangible assets	**91.74**	-
Total #	**158.32**	71.50

current year depreciation and amortisation expenses includes Rs. 101.86 crores of the Joint Venture which was treated as subsidiary till 29th March, 2018 in accordance with IND-AS 110.

Note 34: Other expenses

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Stores, Spares, Components,Tools, etc. consumed	**480.45**	437.79
Power and Fuel consumed	**205.93**	191.35
Machining and Processing charges	**202.08**	210.37
Sub-contracting expenses	**53.78**	55.12
Other Manufacturing expenses	**71.84**	63.50
Rent (net)	**0.74**	0.68
Repairs to:		
- Buildings	**2.49**	2.67
- Plant and Machinery	**9.80**	7.94
- Other assets	**2.79**	2.83
Rates and Taxes	**9.64**	3.95
Insurance	**1.70**	1.38
Commission	**3.36**	3.93
Freight, Forwarding and Warehousing (net)	**18.78**	75.26
Directors' Fees and Travelling Expenses	**0.29**	0.35
Bad Debts,debit balances and claims written off	**48.27**	17.66
Provision for Non Performing Assets	**2.81**	0.45
Provision for Expected Credit Loss	**(21.23)**	(27.11)
Loss on assets sold	**0.06**	0.02
Loss on assets discarded / impaired	**3.38**	-
Loss on Sale of Investments	**8.02**	-
Amortisition of Land Lease	**0.33**	0.32
Loss on variation in foreign exchange rates (net)	**8.79**	1.62
Miscellaneous Expenses	**94.65**	53.22
Total	**1,208.75**	1,103.30

Notes (contd.)

Note 35 Exceptional Items

(Rs. in crores)

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Investment Fair value gain #	**1,296.86**	-
Expenditure in connection with transfer of ASRFB	**(13.46)**	-
Total	**1,283.40**	**-**

The Company has entered into addendum to Share subscription and Shareholders agreement dated 30th March, 2018 in relation to a subsidiary company. Consequent to addendum agreement, the said subsidiary has become joint venture w.e.f. 30th March, 2018. As per para 25 & B98 of INDAS 110, the Company has recognised gain on account of loss of control in the subsidiary company on retained investment.

Note 36 Income Tax Expenses

Reconciliation of Tax Expense and accounting profit multiplied by India's Tax rate : **(Rs. in crores)**

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Profit before Tax	**909.32**	27.81
Applicable Tax Rate	**30.90%**	30.90%
Tax Expense as per applicable tax rate	**280.98**	8.59
Tax effect of :		
Permanent disallowances	**(54.72)**	0.26
Income Taxed at different rate	**(115.86)**	(4.50)
Lapsing of past losses / MAT Entitlement	**(0.42)**	49.21
Others	**(10.92)**	(0.39)
Total Tax expenses	**99.06**	53.17
Tax expenses recognised in Profit or Loss	**99.06**	53.17
Effective tax rate	**11%**	191%

Note 37: Earnings per share

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Profit / (Loss) attributable to the equity holders of the company (A) (Rs. in crores)	**821.03**	(11.35)
Weighted average number of shares for Basic EPS (B)	**141,405,861**	141,405,861
Adjustments for calculation of Diluted EPS (C)	**-**	**-**
Weighted average number of shares for Diluted EPS (D= B+C)	**141,405,861**	141,405,861
(a) Basic EPS in Rs.	**58.06**	(0.80)
(b) Diluted EPS in Rs.	**58.06**	(0.80)

Note 38: Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018, 31st March, 2017 and as at 01 April, 2016.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and bank balances . Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

Notes (contd.)

The Company's adjusted net debt to equity ratio is as follows :

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings			
Long term and Short term borrowings	**1,830.22**	2,698.14	2,559.96
Current maturities of Long term borrowings	**294.13**	280.73	266.91
Less: cash and cash equivalents	**(67.17)**	(69.43)	(74.04)
Adjusted net debt	**2,057.18**	2,909.44	2,752.83
Total Equity	**1,079.75**	314.20	320.89
Adjusted net debt to adjusted equity ratio	**1.91**	9.26	8.58

Note 39 : Contingnt liabilities not provided for

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i. Disputed matters in appeal/contested in respect of:			
Income Tax*	**35.94**	36.75	36.75
Excise Duty, Customs Duty etc.	**7.82**	8.56	4.55
Sales Tax, Works Contract Tax etc. **	**1.73**	0.33	4.90
Other matters	**13.34**	5.56	3.95
* included in this amount (not provided in the Accounts) is the liability under Sec 115JB of the Income Tax Act, 1961 for Assessment Year 2005-06 as 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.	**13.12**	21.06	13.96
For items (i) & (ii) above			
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.			
Guarantees and Counter guarantees given by the Company :	**120.76**	120.76	115.00
iii. Bonds / Undertakings given by the Company under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	**0.66**	0.66	0.84
iv) Share in contingent Liabilities of Associates	**6.70**	19.72	2.75
v) Share in contingent Liabilities of Joint Ventures	**9.67**	0.44	0.61

iv. Arrears of dividend on preference shares for FY 2016-17 Rs.5,627/-, FY 2015-16 Rs.5,627/- and FY 2014-15 Rs. 5,627/- in view of ammendment to section 123 of the Companies Act, 2013. However for the purpose of accounting, interest expenditure have been booked in Statement of Profit & Loss.

v. 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.

vi. 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.

vii. There have been delays in payment of tax deducted at source in earlier years and also in FY 2017-18. 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.

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. 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.

Note 40 : Commitments

(Rs. in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**3.75**	17.67	11.93
Share of Capital Commitment of Joint Venture	**1.28**	2.79	0.33

Note 41: Leases

As Lessee:

Future Rental obligations in respect of premises taken on operating Lease.

(Rs in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i. For a period not later than one year	**0.69**	1.40	2.10
ii. For a period later than one year but not later than five years	**0.46**	0.37	1.14
iii. For a period later than five years		0.04	-
Total	**1.15**	1.81	3.24

Lease rentals charged to revenue for the current year Rs. 2.42 crore (March 31, 2017 : Rs.2.86 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.

As Lessor:

Future Rental income in respect of premises/ plot of land given on lease – Operating Lease.

(Rs in crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i. For a period not later than one year	**0.15**	0.06	0.11
ii. For a period later than one year but not later than five years	**0.23**	0.15	0.21
iii. For a period later than five years		-	-
Total	**0.38**	0.21	0.32

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

Note 42: There are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at the reporting date.

Note 43 : Statement of voting power of Mukand Limited in Subsidiaries, Joint Ventures and Asssociates

Sr. No.	Name of the Company	Consolidated as	Country of Incorporation	Principal Activity	Proportion of voting power as at		
					31-Mar-18	31-Mar-17	1-Apr-16
1	Mukand Global Finance Ltd. (MGFL)	Subsidiary	India	NBFC	**100%**	100%	100%
2	Vidyavihar Containers Ltd. (VCL)	Subsidiary	India	Real Estate	**100%**	100%	100%
3	Mukand International Ltd. (MIL)	Subsidiary	UK	Trading - steel	**100%**	100%	100%
4	Mukand International FZE (MIFZE)	Subsidiary	UAE	Trading - steel	**100%**	100%	100%
5	Mukand Vijayanagar Steel Ltd (MVSL)	Subsidiary#	India	Steel Manufacturing	**0%**	100%	19%
6	Mukand Audyogik Yantra Pvt Ltd (MAYPL)	Subsidiary*	India	Industrial Machinery	**19%**	100%	0%
7	Mukand Heavy Machinery Pvt Ltd (MHMPL)	Subsidiary*	India	Industrial Machinery	**19%**	100%	0%
8	Mukand Sumi Special Steel Ltd (MSSSL)formerly known as (Mukand Alloy Steels Ltd.)	Joint Venture $	India	Alloy Steel Rolling and Finishing business	**100%**	100%	100%
9	Mukand Sumi Metal Processing Ltd. (MSMPL)	Joint Venture	India	Manufacturing of Cold finished, Bars/Rods	**60.07%**	60.07%	60.07%
10	Hospet Steels Ltd. (HSL)	Joint Venture	India	Management Company	**39.00%**	39.00%	39.00%
11	Mukand Vini Mineral Ltd. (MVML)	Joint Venture	India	Mining Company	**49.01%**	49.01%	49.01%
12	Mukand Engineers Ltd. (MEL)	Associate	India	Engineering, Construction project and ITES	**36.11%**	36.11%	36.11%
13	Bombay Forgings Ltd. (BFL)	Associate	India	Manufacturing of Steel Forging	**33.00%**	24.00%	24.00%
14	Stainless India Ltd. (SIL)	Associate	India	Manufacturing of stainless steel products	**48.30%**	48.30%	48.30%

* Mukand Audyogik Yantra Pvt Ltd and Mukand Heavy Machinery Pvt Ltd were subsidiaries upto 28th February, 2018.

Mukand Vijayanagar Steel Ltd got amalgamated with Mukand Sumi Special Steel Ltd

$ Subsidiary till 29th March, 2018 and Joint venture with effect from 30th March, 2018 by virtue of addendum to Share subscription and Shareholders agreement dated 30th March, 2018.

Note 44: Investment in Joint Ventures and Associates

(i) Interest in associates and joint ventures

Set out below are associates and joint ventures of the group as at 31st March 2018 which in the opinion of directors are material to the group. The entities listed below have share capital consisting solely of equity shares which are directly held by the group.

(Rs. in Crores)

Sr. No.	Name of Entity	Place of Business	% of Ownership Interests	Relationship	Accounting Method	Carrying amount		
						31st March, 2018	31st March, 2017	01st April, 2016
1	Mukand Sumi Special Steel Ltd (MSSSL) #	India	100.00%	Joint Venture	Equity Method	**1,125.00**	-	-
2	Mukand Sumi Metal Processing Ltd (MSMPL)	India	60.07%	Joint Venture	Equity Method	**116.70**	102.01	86.84
	Total Equity accounted investments					**1,241.70**	102.01	86.84

\# Subsidiary till 29th March, 2018 and Joint venture with effect from 30th March, 2018 by virtue of addendum to Share subscription and Shareholders agreement dated 30th March, 2018.

i) MSSSL is a joint venture between Mukand Ltd and Sumitomo Corporation Japan which is engaged in the manufacture of Alloy Steel in India.

ii) MSMPL is a joint venture between Mukand Ltd and Sumitomo Corporation Japan which is engaged in the manufacture of cold finished bars and wires in India.

Notes (contd.)

(ii) Summarised financial information of joint ventures

The tables below provide summarised financial information for those joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Rs. In Crores

(A)	Summarised Balance Sheet	Mukand Sumi Special Steel Ltd	Mukand Sumi Metal Processing Ltd		
		31st March, 2018	31st March, 2018	31st March, 2017	01st April, 2016
	Current assets				
	Cash and cash equivalents	**14.79**	**10.16**	9.06	16.98
	Other assets	**389.76**	**171.39**	140.38	125.27
	Total Current Assets	**404.55**	**181.55**	149.44	142.25
	Total Non Current Assets	**1,921.23**	**137.21**	149.19	166.85
	Current Liabilities				
	Financial Liabilities (excluding trade payables)	**1,248.23**	**25.87**	19.18	22.16
	Other Liabilities	**389.33**	**16.71**	10.66	29.42
	Total Current Liabilities	**1,637.56**	**42.58**	29.84	51.58
	Total Non Current Liabilities	**3.16**	**0.15**	-	-
	Net Assets	**685.06**	**276.03**	268.79	257.52

Rs. In Crores

(B)	Summarised Statement of Profit and Loss	Mukand Sumi Special Steel Ltd	Mukand Sumi Metal Processing Ltd	
		31st March, 2018	31st March, 2018	31st March, 2017
	Total Revenue (except interest income)	**1,969.76**	**629.16**	528.11
	Interest Income	**22.86**	**2.54**	3.20
	Purchases and variation in stocks	**1,441.23**	**507.79**	398.52
	Depreciation and amortisation	**101.86**	**19.99**	19.41
	Interest expense	**182.54**	**2.19**	2.10
	Tax expenses	**55.82**	**5.53**	4.68
	Profit/(loss) for the year	**(119.14)**	**10.52**	11.27
	Other Comprehensive Income	**-**	**-**	-
	Total Comprehensive Income	**(119.14)**	**10.52**	11.27
	Dividend received	**-**	**-**	0.08

Rs. In Crores

(C)	Reconciliation to carrying amount	Mukand Sumi Special Steel Ltd	Mukand Sumi Metal Processing Ltd	
		31st March, 2018	31st March, 2018	31st March, 2017
	Opening Net Assets	**0.01**	**268.79**	257.52
	Profit for the year	**(119.14)**	**10.52**	11.27
	Fair Value on account of Loss of Control	**1,296.86**	**-**	-
	Adjustments on consolidation	**(52.73)**	**(85.04)**	(98.97)
	Closing Net Assets	**1,125.00**	**194.27**	169.82
	Group's Share in %	**100%**	**60.07%**	60.07%
	Group's share in Rupees	**1,125.00**	**116.70**	102.01
	Carrying amount	**1,125.00**	**116.70**	102.01

Notes (contd.)

Note 45: Related Party Disclosure

Related Party Disclosures

(a) Relationship :

(i) Associates :

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

(ii) Joint Ventures :

Mukand Sumi Special Steel Ltd (w.e.f 30th March, 2018), Mukand Sumi Metal Processing Ltd, Mukand Vini Mineral Ltd. (MVML), Hospet Steels Ltd. (HSL).

(iii) Key Management Personnel

Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah , Prakash Vasantlal Mehta, Vinodchand Sakarchand Shah (Expired on April 8,2018, Dhirajlal Shantilal Mehta, Narendra Jeewanlal Shah, Naresh Chandra Sharma, Bharti Ram Gandhi, Amit Yadav, Relatives of a Director/ Other KMPS

(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).

(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	**22.77**	**33.81**			**56.58**
	1.82	15.04			16.86
2. Sale of Goods	**14.90**	**128.94**			**143.84**
	17.49	270.90			288.39
3. Transfer of Fixed Assets			-		-
			0.01		0.01
4. Services Received	**8.74**	**61.28**			**70.02**
	17.60	60.80			78.40
5. Services Rendered	**7.95**	**52.14**			**60.09**
	0.80	31.31			32.11
6. Remuneration/Sitting Fees to MDs and KMPs			**6.04**		**6.04**
			5.11		5.11
7. Interest on FDs to a Director / relatives of a Director			**0.43**		**0.43**
			0.29		0.29
8. Interest / Dividend Paid / (Received) Net	**(0.19)**	**(0.06)**		**34.39**	**34.14**
		2.79		76.89	79.68
9. Reimbursement of Expenses - Payment	-				-
	0.02				0.02
10. Finance taken including equity / (re-payment of loans & advances) - Net	-		**0.10**	**137.39**	**137.49**
	0.25		3.05	46.00	49.30
11. Finance given including equity / (re-payment of loans & advances) - Net	**2.90**	**-**		**0.02**	**2.92**
	-	0.06		0.01	0.07
12. Bad debts / Advances written off	-	**0.61**			**0.61**
	16.23	0.56			16.79
13. Balances at the close of the year					
i) Amount Receivable	**86.17**	**326.50**		**0.29**	**412.96**
	81.73	5.69		0.27	87.69
	86.00	*0.70*		*0.26*	*86.96*
ii) Amount Payable	**8.32**	**27.76**	**0.41**		**36.49**
	1.76	29.07	0.23		31.06
	2.05	*7.94*	*0.11*		*10.10*

Notes (contd.)

Nature of transactions	a(i) above	a (ii) above	a (iii) above	a (iv) above	Total
iii) Amount Receivable in respect of loans & advances	**18.76**	**5.86**			**24.62**
	15.60	0.69			16.29
	27.98	*7.19*			*35.17*
iv) Amount Payable in respect of loans & advances *			**3.93**	**318.45**	**322.38**
			3.34	559.20	505.16
			-	*505.16*	*505.16*
v) Property Deposit taken	**0.07**				**0.07**
	0.07				0.07
	0.07				*0.07*
14. Guarantees given by the Company	**115.00**				**115.00**
	115.00				115.00
	115.00				*115.00*
15. Collateral given on behalf of the Company #					
				#	

* Interest on FDs to relatives of a Director / includes amount payable for FDs / interest thereon Rs. 3.93 crores (previous year Rs 3.34 crore)

2,513,000 Equity Shares of the Company.

ii) Details in respect of material transactions with related parties

(Rs. in Crore)

Purchase of Goods:		Finance given including equity / (re-payment of loans & advances) - Net	
Mukand Sumi Metal Processing Ltd	**33.81**	Kalyani Mukand Ltd	**0.02**
	15.04		0.01
Bombay Forgings Ltd	**0.49**	Mukand Engineers Ltd	**2.90**
	1.82		-
Mukand Engineers Ltd	**22.28**	Mukand Vini Minerals Ltd	-
	-		0.06

Sale of Goods:		Balances at the close of the year:		*Balance as at 01st April, 2016*
Bombay Forgings Ltd	**14.90**			
	17.49			
Mukand Sumi Metal Processing Ltd	**128.94**	**i) Amount Receivable**		
	270.90	Bombay Forgings Ltd	**70.58**	
Transfer of Fixed Assets			66.70	*65.32*
To a Managing Director / Joint Managing Director	-	Mukand Sumi Metal Processing Ltd	**6.02**	
	0.01		5.69	*0.70*
Services Received:		Mukand Sumi Special Steel Ltd	**320.48**	
Hospet Steels Ltd	**52.38**		-	
	52.83	Mukand Engineers Ltd	15.59	
Mukand Engineers Ltd	**8.74**		15.03	*19.45*
	17.60	Stainless India Ltd.	-	
Mukand Sumi Metal Processing Ltd	**8.90**		-	*1.23*
	7.97	Kalyani Mukand Ltd	0.29	
Remuneration to Executive Directors & Other KMPs #			0.27	*0.26*

Notes (contd.)

Short term employment benefit	**5.38**	**ii) Amount Payable**		
	4.46	Mukand Engineers Ltd	**8.32**	
Post Employment Benefits	**0.40**		1.76	*2.05*
	0.33	Hospet Steels Ltd	**4.56**	
Remuneration to Non-Executive / Independent Directors			0.51	*6.38*
Sitting Fees	**0.26**	Mukand Sumi Metal Processing Ltd	**8.26**	
	0.32		28.56	*1.56*
Services Rendered:		Mukand Sumi Special Steel Ltd	**14.94**	
Mukand Engineers Ltd	**7.95**		-	
	0.80	Remuneration to Key Management Personnel	0.41	
Mukand Sumi Metal Processing Ltd	**52.14**		0.23	*0.11*
	31.31	**iii) Amount Receivable in respect of loans & advances**		
Interest / Dividend Paid / (Received) Net				
		Bombay Forgings Ltd	**15.72**	
Mukand Engineers Ltd	**(0.19)**		15.12	*12.77*
	-	Mukand Sumi Metal Processing Ltd	-	
Jamnalal Sons Pvt Ltd	**34.09**		0.08	*6.08*
	76.59	Mukand Sumi Special Steel Ltd	**5.86**	
Adonis Laboratories Pvt Ltd	**0.30**		-	
	0.30	Mukand Engineers Ltd	**3.04**	
Mukand Sumi Metal Processing Ltd	**(0.06)**		0.48	-
	2.79	Stainless India Ltd. (net of provisions)	-	
Mukand Vini Minerals Ltd	-		-	*15.21*
	0.06	Mukand Vini Minerals Ltd	-	
To relatives of a Director (Interest on FD)	**0.43**		0.61	*1.11*
	0.29	**iv) Amount Payable in respect of loans & advances**		
Bad Debts/Advances written off				
Mukand Vini Mineral Ltd	**0.61**	Jamnalal Sons Pvt Ltd	**316.44**	
	0.56		557.13	*505.16*
Stainless India Ltd.	-	Adonis Laboratories Pvt Ltd	**2.01**	
	16.23		2.07	*2.00*
Reimbursement of Expenses - Payments		FDs / interest thereon from Relatives of a Director	**3.93**	
Mukand Engineers Ltd	-		3.34	-
	0.02			
Finance taken including equity / (re-payment of loans & advances) - Net		**v) Property Deposit taken**		
Jamnalal Sons Pvt Ltd	**137.39**	Mukand Engineers Ltd	**0.07**	
	46.00		0.07	*0.07*
Stainless India Ltd	-	Guarantees given by the Company		
	0.25			
FDs from Relatives of a Director	0.10	Mukand Engineers Ltd	**115.00**	
	3.05		115.00	*115.00*

Note: Figures in bold type relate to the current year and figues in normal type relate to previous year and figures in italics relate to 01st April, 2016

The aforesaid amount does not include amount in respect of Gratuity and Leave as the same is not determinable.

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

Note 46: Transfer of Alloy Steel Rolling & Finishing Business (ASRFB) of Mukand Limited

(i) The Board of Directors of Mukand Ltd in its meeting held on January 12, 2017 has approved a Scheme of Arrangement and Amalgamation amongst the Company, Mukand Vijayanagar Steel Limited (MVSL) {wholly owned subsidiary of the Company} and Mukand Alloy Steel Private Limited (MASPL) {wholly owned subsidiary of the Company, now known as Mukand Sumi Special Steel Ltd (MSSSL)} and their respective shareholders and creditors under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of the Alloy Steel Rolling and Finishing Business of the Company with appointed date as January 01, 2017. The Scheme inter alia provides for transfer of the Alloy Steel Rolling and Finishing Business of the Company at their respective carrying value to MVSL, on a going concern basis, by way of Slump Sale for a lumpsum consideration of Rs 227.00 crores and thereafter, amalgamation of MVSL with MASPL as an integral and composite part of the Scheme. The Scheme also provides for adjustment of the accumulated debit balance in the Statement of Profit and Loss of the Company as on December 31, 2016 which was Rs. 199.31 Crores with the balance in the Securities Premium Account as at December 31, 2016.

(ii) The relevant petition filed before the National Company Law Tribunal, Mumbai Bench, has been sanctioned on December 13, 2017. Upon necessary filings with the respective Registrars of Companies, the scheme has become effective from January 15, 2018 ("Effective Date") and accordingly, the Company has given effect to the Scheme in the accounts with effect from January 01, 2017, being the appointed date. Further, with effect from the appointed date and up to and including the effective date, Mukand Ltd was deemed to be carrying on the business of Alloy Steel Rolling and Finishing on behalf of MASPL and all the profits / losses accruing in relation to the Alloy Steel Rolling and Finishing Business for the period commencing from the appointed date and up to the effective date for all purposes has been treated as the profits or losses, as the case may be, of MASPL. Accordingly, Profit/ (Loss) before tax from the appointed date till March 31, 2017 aggregating to (Rs.56.54) Crore has been accounted in 'Retained Earnings' under Other Equity.

Note 47: Employee Benefits

(a) Long term employee benefit obligations

The leave obligations cover the Group's liability for casual and earned leave.

The compensated absences charge for the year ended March 31, 2018 based on actuarial valuation amounting to Rs. 0.06 crores (March 31, 2017 Rs. 1.80 crores) has been charged in the Statement of Profit and Loss.

(b) Post employment obligations

Defined contribution plans

The Group also contributes on a defined contribution basis to employees' provident fund and superannuation fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund (an exempted Trust). The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the period towards defined contribution plan.

(Rs. in crores)

	For the Year Ended 31st March, 2018	**For the Year Ended 31st March, 2017**
Employer's Contribution to Provident Fund	**5.50**	5.27
Employer's Contribution to FPF	**2.29**	2.34
Employer's Contribution to EDLI	**0.51**	0.58
Employer's Contribution to ESIC	**0.30**	0.25
Employer's Contribution to Maharashtra Labour Welfare fund	**0.01**	0.01
Employer's Contribution to superannuation fund	**2.63**	2.74

Defined benefit plans

Gratuity

The Group provides for gratuity for employees as per Company's Scheme/s. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month and as per the Schemes applicable to those employees . The gratuity plan is a funded plan. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(Rs. in crores)

	Defined benefit plans	**For the year ended March 31, 2018**	For the year ended March 31, 2017
		Gratuity (funded)	Gratuity (funded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current Service Cost	**2.46**	2.55
	Past Service Cost	**2.08**	2.80
	Expected return on plan assets	**-**	-
	Interest cost on benefit obligation	**1.78**	2.29
	Total Expenses	**6.32**	7.64

Notes (contd.)

	Defined benefit plans	For the year ended March 31, 2018	For the year ended March 31, 2017
		Gratuity (funded)	Gratuity (funded)
II	**Expenses recognised in OCI**		
	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	**(0.79)**	(0.58)
	Actuarial (Gain)/ Losses due to Experience on DBO	**(2.37)**	(2.51)
	Return on Plan Assets (Greater) / Less than Disount rate	**(0.14)**	(0.08)
	Total Expenses	**(3.30)**	(3.17)
III	**Net Asset /(Liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	**(44.46)**	(43.92)
	Fair Value of Plan Assets	**21.11**	19.63
	Funded status [Surplus/(Deficit)]	**(23.35)**	(24.29)
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	**43.98**	41.36
	Current Service Cost	**2.46**	2.55
	Past service cost / acquisition adjustment	**(1.74)**	3.32
	Interest Cost	**3.22**	-
	Actuarial (Gain)/Loss	**(3.16)**	(3.08)
	Benefits paid	**(0.23)**	(0.18)
	Present value of defined benefit obligation at the end of the year	**44.53**	43.97
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	**19.63**	12.86
	Expected returns on Plan Assets	**1.46**	1.03
	Actuarial (Gain)/Loss on Plan assets	**0.15**	0.08
	Contribution from Employer	**0.10**	5.84
	Benefits paid	**(0.23)**	(0.18)
	Closing fair value of the plan asset	**21.11**	19.63
VI	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	**8.09**	8.09
	Between 2 and 5 years	**17.41**	16.23
	Between 6 and 10 years	**20.12**	18.40
VII	**Quantitative sensitivity analysis for significant assumptions is as below:**		
1	**Increase/(decrease) on present value of defined benefit obligation at the end of the year**		
	(i) +100 basis points increase in discount rate	**(2.89)**	(3.00)
	(ii) -100 basis points decrease in discount rate	**3.37**	3.49
	(iii) +100 basis points increase in rate of salary increase	**3.43**	3.54
	(iv) -100 basis points decrease in rate of salary increase	**(2.99)**	(3.09)
2	**Sensitivity analysis method**		
	Sensitivity analysisis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.		

VIII	**Actuarial Assumptions:**	**As at March 31, 2018**	As at March 31, 2017
1	Discount rate	**7.70%**	7.40%
2	Expected rate of salary increase	**5.00% p.a.**	4.95% p.a.
3	Attrition rate	**2.00%**	2.00%
4	Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

c) The gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

d) The Group expects to make a contribution of Rs 4.39 Crore to the defined benefit plans (gratuity - funded) during the next financial year.

e) The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years.

Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk:

This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or bolding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time) and Company's Schemes for different category of employees.There is a risk of change in regulations requiring higher gratuity payouts(e.g. Increase in the maximum limit on gratuity of Rs.20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to the market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Note 48: Reconciliation of liabilities arising from financing activities

(Rs in crores)

Particulars	Opening Balance	Cash Movement	Business Acquisition/ Disposals	Foreign exchange changes	Fair value changes	Others	Closing Balance
March 31, 2018							
Fixed Deposits	98.85	17.56	-	-	-	-	116.41
Working capital loans from Banks	640.07	(102.49)	-	-	-	-	537.58
Preference Share Liability	3.59					0.38	3.97
Borrowings (secured & unsecured)	1,955.63	(783.37)	-	-	-	-	1,172.26
Total	**2,698.14**	**(868.30)**	**-**	**-**	**-**	**0.38**	**1,830.22**
March 31, 2017							
Fixed Deposits	29.89	68.96	-	-	-	-	98.85
Working capital loans from Banks	606.56	33.51	-	-	-	-	640.07
Preference Share Liability	3.24	-				0.35	3.59
Borrowings (secured & unsecured)	1,920.27	35.36	-	-	-	-	1,955.63
Total	**2,559.96**	**137.83**	**-**	**-**	**-**	**0.35**	**2,698.14**
These cash movements are included in the cash flow statement under cash flow from financing activites.							

Notes (contd.)

Note 49 : Fair Value Measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs in crores)

		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
1	**Financial Assets and Liabilities as at March 31, 2018**								
a	**Non-Current Financial Assets**								
	Investments in Quoted Equity Instruments	0.07			0.07	0.49		-	0.49
	Other Financial Assets			31.60	31.60			31.60	31.60
b	**Current Financial Assets**								
	Trade Receivable			294.27	294.27			294.27	294.27
	Cash & Cash Equivalents			16.82	16.82			16.82	16.82
	Other Bank Balance			50.35	50.35			50.35	50.35
	Loans			255.29	255.29			255.29	255.29
	Other Financial Assets			586.88	586.88			586.88	586.88
		0.07	-	1,235.21	1,235.28	0.49	-	1,235.21	1,235.70
c	**Non-current Financial liabilities**								
	Borrowings			779.09	779.09			779.09	779.09
	Other Financial Liabilities			4.00	4.00			4.00	4.00
d	**Current Financial liabilities**								**-**
	Short term borrowings			1,051.13	1,051.13			1,051.13	1,051.13
	Trade Payables			938.40	938.40			938.40	938.40
	Other Financial Liabilities			369.23	369.23			369.23	369.23
		-	**-**	**3,141.85**	**3,141.85**	**-**	**-**	**3,141.85**	**3,141.85**
2	**Financial Assets and Liabilities as at March 31, 2017**								
a	**Non-Current Financial Assets**								
	Investments in Quoted Equity Instruments	0.07			0.07	0.40		-	0.40
	Other Financial Assets			26.62	26.62			26.62	26.62
b	**Current Financial Assets**								
	Trade Receivable			1,021.07	1,021.07			1,021.07	1,021.07
	Cash & Cash Equivalents			21.92	21.92			21.92	21.92
	Other Bank Balance			47.51	47.51			47.51	47.51
	Loans			150.16	150.16			150.16	150.16
	Other Financial Assets			608.78	608.78			608.78	608.78
		0.07	**-**	**1,876.06**	**1,876.13**	**0.40**	**-**	**1,876.06**	**1,876.46**

(Rs in crores)

		Carrying Amount				Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
c	**Non-current Financial liabilities**								
	Borrowings			1,709.30	1,709.30			1,709.30	1,709.30
	Other Financial Liabilities			4.00	4.00			4.00	4.00
d	**Current Financial liabilities**								**-**
	Short term borrowings			988.84	988.84			988.84	988.84
	Trade Payables			866.60	866.60			866.60	866.60
	Other Financial Liabilities			373.30	373.30			373.30	373.30
		-	**-**	**3,942.04**	**3,942.04**	**-**	**-**	**3,942.04**	**3,942.04**
3	**Financial Assets and Liabilities as at April 01, 2016**								
a	**Non-Current Financial Assets**								
	Investments in Quoted Equity Instruments	0.07			0.07	0.31			0.31
	Other Financial Assets			15.52	15.52			15.52	15.52
b	**Current Financial Assets**								
	Trade Receivable			1,045.10	1,045.10			1,045.10	1,045.10
	Cash & Cash Equivalents			22.34	22.34			22.34	22.34
	Other Bank Balances			51.70	51.70			51.70	51.70
	Loans			148.34	148.34			148.34	148.34
	Other Financial Assets			483.75	483.75			483.75	483.75
		0.07	**-**	**1,766.75**	**1,766.82**	**0.31**	**-**	**1,766.75**	**1,767.06**
c	**Non-current Financial liabilities**								
	Borrowings			1,639.02	1,639.02			1,639.02	1,639.02
	Other Financial Liabilities			3.53	3.53			3.53	3.53
d	**Current Financial liabilities**								**-**
	Short term borrowings			920.94	920.94			920.94	920.94
	Trade Payables			838.10	838.10			838.10	838.10
	Other Financial Liabilities			349.53	349.53			349.53	349.53
		-	**-**	**3,751.12**	**3,751.12**	**-**	**-**	**3,751.12**	**3,751.12**

B. Measurement of fair value

The following methods and assumptions were used to estimate the fair values:

a) The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including deposits, creditors for capital expenditure, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances if required, are taken to account for expected losses of these receivables.

c) The fair values for investment in unquoted equity shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Note 50: Financial 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. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company has in place adequate Internal Financial Controls with reference to financial statements and such internal financial controls are operating effectively. Your company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial statements.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

The ageing analysis of trade receivables including interest (gross of provision) has been considered from the date the invoice falls due -

			(Rs. in crores)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
Not due			
0 to 180 days due past due date	**231.61**	522.89	630.65
More than 180 days past due date	**62.66**	498.18	414.45
	294.27	1,021.07	1,045.10

The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

		(Rs. in crores)
Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Opening Provision	**61.75**	74.91
Addition/(Reversal) during the year	**(7.14)**	(13.16)
Closing provision	**54.61**	61.75

ii. Loans, Unbilled Revenue and Provisions for ECL

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low.

The movement in the allowance for impairment in respect of loans and unbilled revenue during the year was as follows:

			(Rs in Crores)
Particulars	**Loan**	**Unbilled Revenue**	**Provisions for ECL**
Balance as at 1st April 2016	4.92	27.81	74.91
Provision for ECL	(0.44)	-	(13.16)
Balance as at 31st March 2017	4.48	27.81	61.75
Provision for ECL	11.87	(2.59)	(7.14)
Balance as at 31st March, 2018	16.35	25.22	54.61

iii. Cash and bank balances

The Group held cash and cash equivalent and other bank balance of Rs. 67.17 crores at March 31, 2018 (March 31, 2017: Rs. 69.43 crores; April 1, 2016: Rs. 74.04 crores). The same are held with bank and financial institution counterparties with good credit rating. Also, Group invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Group to credit risk.

iv. Others

Other than trade financial assets reported above , the Group has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

(Rs in Crores)

Contractual maturities of financial liabilities 31st March 2018	**1 year or less**	**1-2 years**	**More than 2 years**	**Total**
Non-Derivative				
Long term borrowings	294.13	179.67	599.42	1,073.22
Short term borrowings	1,051.13			1,051.13
Trade payables	938.40			938.40
Other financial liabilities	75.10	-	4.00	79.10
Total	**-**	**-**	**-**	**-**
Derivatives	121.73			121.73
Total	**121.73**	**-**	**-**	**121.73**
Contractual maturities of financial liabilities 31st March 2017	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Long term borrowings	280.73	294.13	1,415.17	1,990.03
Short term borrowings	988.84			988.84
Trade payables	866.60			866.60
Other financial liabilities	92.57		4.00	96.57
Total	2,228.74	294.13	1,419.17	3,942.04
Derivatives	198.84			198.84
Total	198.84	-	-	198.84
Contractual maturities of financial liabilities 1st April 2016	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Long term borrowings	266.91	280.73	1,358.29	1,905.93
Short term borrowings	920.94			920.94
Trade payables	838.10			838.10
Other financial liabilities	82.62		3.53	86.15
Total	2,108.57	280.73	1,361.82	3,751.12
Derivatives	125.39			125.39
Total	**125.39**	**-**	**-**	125.39

Notes (contd.)

(C) Market risk

Market risk is the risk that changes in market prices, such as interest rates (interest rate risk), will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(D) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(E) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows: **(Rs in Crores)**

Particulars	**31st March, 2018**	31st March, 2017	01st April, 2016
Variable rate borrowings	**417.63**	613.26	663.72
Fixed rate borrowings	**1,706.73**	2,365.61	2,163.15
Total borrowings	**2,124.35**	2,978.87	2,826.87

(F) Sensitivity:

A change of 100 basis points in interest rates would have following impact on profit after tax and equity **(Rs in Crores)**

	31st March, 2018	31st March, 2017
Interest rates – increase by 100 basis points *	**2.89**	4.24
Interest rates – decrease by 100 basis points *	**(2.89)**	(4.24)
* Holding all other variables constant		

Foreign Exchange Risk , Commitments in respect of derivative instruments:

a Derivative instruments outstanding: **(Amount in Crores)**

		As at 31-Mar-18	Equivalent (Rs)		As at 31-Mar-17	Equivalent (Rs)
For Imports	**USD**	**0.79**	51.83	USD	2.54	171.54
	EURO	**-**	-	EURO	-	-
For Exports	**USD**	**0.53**	34.68	USD	0.31	20.62
	EURO	**0.44**	35.22	EURO	0.09	6.68

b Foreign Currency exposure that are not hedged by derivative instruments:

(Amount in crore)

	Debtors	Equiv Rs.	Creditors	Equiv Rs.	Cash Bank Balances	Equiv Rs.	Other Payables	Equiv Rs.	Export Advance	Equiv Rs.	Other Receivable	Equiv Rs.	Total	Equiv Rs.
USD	**-**	**-**	**5.895**	**384.207**	**-**	**-**	**0.022**	**1.423**	**0.321**	**20.948**	**0.001**	**0.044**	**6.239**	**406.622**
	0.007	0.444	3.680	238.634	-	-	0.015	0.954	0.057	3.680	-	-	3.758	243.711
EURO	**0.367**	**29.640**	**0.155**	**12.530**	**0.030**	**2.580**	**-**	**-**	**0.098**	**7.907**	**-**	**-**	**0.650**	**52.658**
	0.086	5.940	0.081	5.632	0.006	0.400	-	-	-	-	-	-	0.173	11.972
AUD	**-**	**-**	**0.000**	**0.009**	**0.000**	**0.010**	**-**	**-**	**-**	**-**	**-**	**-**	**0.000**	**0.019**
	-	-	0.000	0.009	0.000	0.010	-	-	-	-	-	-	0.000	0.019
CHF	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	0.003	0.173	-	-	-	-	-	-	-	-	0.003	0.173
SEK	**-**	**-**	**0.034**	**0.267**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.034**	**0.267**
	-	-	0.030	0.220	-	-	-	-	-	-	-	-	0.030	0.220
CAD	**-**	**-**	**0.092**	**4.656**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.092**	**4.656**
	-	-	0.331	16.095	-	-	-	-	-	-	-	-	0.331	16.095
GBP	**-**	**-**	**0.002**	**0.186**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.002**	**0.186**
	-	-	0.000	0.020	-	-	-	-	-	-	-	-	0.000	0.020
JPY	**-**	**-**	**0.517**	**0.318**	**0.020**	**1.360**	**-**	**-**	**-**	**-**	**-**	**-**	**0.537**	**1.678**
	-	-	-	-	0.020	1.280	-	-	-	-	-	-	0.020	1.280
Grand Total													**7.55**	**466.09**
													4.32	273.49

Figures in bold type relates to current year and figures in normal type relates to previous year.

c Sensitivity if the Exchange rate moves upward / downward by Rs. 1/-

(Amount in crore)

Liabilty	Increase	Decrease
Upward	6.50	
	4.16	
Downward		(6.50)
		(4.16)

a. Derivative instruments outstanding:

(Amount in crore)

		As at 01st April 2016	Equivalent
For Imports	USD	1.576	Rs. 107.83
	EURO	-	Rs. -
For Exports	USD	0.15	Rs. 10.39
	EURO	0.09	Rs. 7.17

b. Foreign Currency exposure that are not hedged by derivative instruments:

(Amount in crore)

	Debtors	Equiv Rs.	Creditors	Equiv Rs.	Cash Bank Balances	Equiv Rs.	Other Payables	Equiv Rs.	Export Advance	Equiv Rs.	Total	Equiv Rs.
USD	-	-	3.790	251.110	-	-	0.020	1.325	0.080	5.300	3.890	257.74
EURO	0.188	14.200	0.266	20.020	0.030	2.340	0.005	0.380	0.020	1.508	0.321	24.25
AUD	-	-	0.000	0.009	0.000	0.010	-	-	-	-	0.000	0.02
CHF	-	-	0.001	0.091	-	-	-	-	-	-	0.001	0.09
SEK	-	-	0.042	0.340	-	-	-	-	-	-	0.042	0.34
JPY	-	-	-	-	0.020	1.310	-	-	-	-	0.020	1.31
											4.27	283.74

c. Sensitivity if the Exchange rate moves upward / downward by Rs. 1/-

(Amount in crore)

Liabilty	Increase	Decrease
Upward	**4.07**	
Downward		**(4.07)**

Note 51: FIRST TIME ADOPTION OF IND AS

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38. The Group has opted to consider the carrying value of property, plant and equipments, Intangible assets as deemed cost as at the transition date.

ii. Estimates

An Group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in

accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.
- Investment in equity, instruments carried at FVTPL.

iii. Classification and measurement of financial assets

Ind AS 101 requires an Group to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iv. Derecognition of financial assets and liabilities

The group has applied the derecognition requirement of finanical assets and financial liabilities prospectively for transaction occuring on or after the transition date.

v. Exchange difference on translation of Foreign Operations

Ind As 101 permits a first time adopter to elect to cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 April 2016.

vi. Business Combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company has availed the said exemption and elected to apply Ind AS 103 prospectively from a specific date prior to the transition date.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of Balance sheet as at date of transition (01st April, 2016)

(Rs. in crores)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1,2,3,16	2,427.85	(1,698.84)	729.01
(b) Capital Work-in-Progress	2,16	30.88	6.20	37.08
(c) Other Intangible Assets	16	1.00	(0.90)	0.10
(d) Investment in subsidiaries , Associates and Joint venture	16	31.00	85.37	116.37
(e) Financial Assets				-
(i) Investments	5	4.87	(4.56)	0.31
(ii) Other financial assets		15.52	-	15.52
(f) Deferred tax assets(net)	11	44.81	110.90	155.71
(g) Income Tax Assets	16,17	53.26	(14.26)	39.00
(h) Other Non-Current Assets	3,6,11,16,17	117.53	(28.82)	88.71
Total Non-Current Assets		2,726.72	(1,544.91)	1,181.81
Current Assets				
(a) Inventories	2,7,16,17	1,496.57	(339.29)	1,157.28
(b) Financial Assets				
(i) Trade Receivables	8,16	1,163.73	(118.63)	1,045.10
(ii) Cash and Cash Equivalents	16	39.33	(16.99)	22.34
(iii) Bank Balances Other than (ii) above	16	53.03	(1.33)	51.70
(iv) Loans	8,16	181.87	(33.53)	148.34
(v) Other Financial Assets	7,8,17	210.06	273.69	483.75
(c) Other Current Assets	3,6,17	225.82	(52.24)	173.58
Total Current Assets		3,370.41	(288.32)	3,082.09
Total Assets		6,097.13	(1,833.23)	4,263.90

Notes (contd.)

(Rs. in crores)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	9	147.05	(5.63)	141.42
(b) Other Equity	12	1,714.25	(1,534.78)	179.47
Equity attributable to equity holders of the parent		1,861.30	(1,540.41)	320.89
Non-controlling interests	16	111.70	(111.70)	-
Total Equity		1,973.00	(1,652.11)	320.89
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	6,9	1,636.54	2.48	1,639.02
(ii) Other Financial Liabilities	10	4.00	(0.47)	3.53
(b) Provisions		41.52	-	41.52
(c) Deferred Tax liabilities (Net)	11,16	4.04	(2.16)	1.88
(d) Other Non-Current Liabilities		-	-	-
Total Non-Current Liabilitites		1,686.10	(0.15)	1,685.95
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	6,16	939.88	(18.94)	920.94
(ii) Trade Payables	16	854.07	(15.97)	838.10
(iii) Other Financial Liabilities	6	345.38	4.15	349.53
(b) Other Current Liabilities	10,17	290.30	(149.87)	140.43
(c) Provisions	8	8.40	(0.34)	8.06
(d) Current Tax Liabilities (Net)			-	-
Total Current Liabilitites		2,438.03	(180.97)	2,257.06
Total Equity & Liabilities		6,097.13	(1,833.23)	4,263.90

ii. Reconciliation of Balance sheet as at 31st March, 2017

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2,3,16	733.74	(41.19)	692.55
(b) Capital Work-in-Progress	2,16	33.33	5.55	38.88
(c) Other Intangible Assets	16	1.02	(0.86)	0.16
(d) Investment in subsidiaries , Associates and Joint venture	16	30.21	102.77	132.98
(e) Financial Assets				-
(i) Investments	5	3.28	(2.88)	0.40
(ii) Other financial assets		26.62	-	26.62
(f) Deferred tax assets(net)	11	12.11	89.59	101.70
(g) Income Tax Assets	16,17	58.23	(14.69)	43.54
(h) Other Non-Current Assets	3,6,11,16,17	102.60	(18.38)	84.22
Total Non-Current Assets		1,001.14	119.91	1,121.05

Notes (contd.)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
Current Assets				
(a) Inventories	2,7,16,17	1,658.72	(315.97)	1,342.75
(b) Financial Assets				
(i) Trade Receivables	8,16	1,097.24	(76.17)	1,021.07
(ii) Cash and Cash Equivalents	16	30.98	(9.06)	21.92
(iii) Bank Balances Other than (ii) above	16	48.06	(0.55)	47.51
(iv) Loans	8,16	202.01	(51.85)	150.16
(v) Other Financial Assets	7,8,17	203.84	404.94	608.78
(c) Other Current Assets	3,6,16,17	359.26	(196.41)	162.85
Total Current Assets		3,600.11	(245.07)	3,355.04
Total Assets		4,601.25	(125.16)	4,476.09
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	9	147.05	(5.63)	141.42
(b) Other Equity	12	32.22	140.56	172.78
Equity attributable to equity holders of the parent		179.27	134.93	314.20
Non-controlling interests	16	115.20	(115.20)	-
Total Equity		294.47	19.73	314.20
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	6,9	1,708.21	1.09	1,709.30
(ii) Other Financial Liabilities		4.00	-	4.00
(b) Provisions	8	26.21	13.88	40.09
(c) Deferred Tax liabilities (Net)	11,16	7.57	(5.69)	1.88
(d) Other Non-Current Liabilities		2.26	-	2.26
Total Non-Current Liabilitites		1,748.25	9.28	1,757.53
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	1,007.39	(18.55)	988.84
(ii) Trade Payables	16	838.77	27.83	866.60
(iii) Other Financial Liabilities	6,16	376.11	(2.81)	373.30
(b) Other Current Liabilities	16,17	314.07	(145.37)	168.70
(c) Provisions	8	22.19	(15.27)	6.92
(d) Current Tax Liabilities (Net)			-	-
Total Current Liabilitites		2,558.53	(154.17)	2,404.36
Total Equity & Liabilities		4,601.25	(125.16)	4,476.09

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes (contd.)

iii. Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	Notes	IGAAP	Ind AS Adjsutments	Ind AS
I. Revenue from operations	7,14,16	3,218.66	(177.32)	3,041.34
II. Other income	15,16	29.16	2.34	31.50
III. Total income		3,247.82	(174.98)	3,072.84
IV. Expenses				
(a) Cost of Material Consumed	16	1,281.29	(139.82)	1,141.47
(b) Purchases of Stock-in-Trade	16	(10.41)	48.87	38.46
(c) Changes in inventories of Finished Goods and Work-in Progress / Contracts in Progress & Stock-in Trade	7,16	(79.06)	(25.77)	(104.83)
(d) Excise duty on sales	14,16	345.40	(16.84)	328.56
(e) Employee benefits expense	13,16	173.36	2.34	175.70
(f) Finance costs	6,9,15,16	295.47	(1.88)	293.59
(g) Depreciation and amortization expense	2,3,16	73.80	(2.30)	71.50
(h) Other Expenses	2,3,8,16	1,144.44	(41.14)	1,103.30
(i) Expenditure transferred to Capital Accounts / Capital Work-in-Progress		(2.72)	-	(2.72)
Total expenses (iv)		3,221.57	(176.54)	3,045.03
V. Profit before exceptional items and tax (III - IV)		26.25	1.56	27.81
VI. Exceptional items		-	-	-
VII. Profit/(loss) before tax and Share in Profit of Associate and Joint Venture		26.25	1.56	27.81
VIII. Share in Profit of Associates and Joint Ventures	16	(0.79)	14.80	14.01
IX. Profit/(Loss) before tax (VII+VIII)		25.46	16.36	41.82
X. Tax expense				
(a) Current tax		0.13		0.13
(b) Deferred tax	11	2.56	1.27	3.83
(c) Excess/(Short) provision for tax in respect of earlier years.	16	(0.03)	0.03	-
Total tax expenses		2.66	1.30	3.96
Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years				
MAT Entitlement Lapsing		15.53	-	15.53
Deferred Tax Charge due to lapsing of business loss		33.68	-	33.68
Total		51.87	1.30	53.17
XI. Profit/(Loss) for the year (IX- X)		(26.41)	15.06	(11.35)
XII. Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
I. Actuarial Gain on Employee defined benefit funds	13	-	3.17	3.17
II. Share of other comprehensive income of investments accounted for using the equity method	4	-	2.60	2.60
III. Deferred tax		-	(0.98)	(0.98)
(ii) Items that will be reclassified to profit or loss		-		
Exchange Fluctuation on Translating Foreign Operation	18	-	(0.13)	(0.13)
Other comprehensive income for the year, net of tax		-	4.66	4.66
XIII. Total comprehensive income for the year (XI+XII)				(6.69)
Profit/(Loss) for the year		(29.91)	18.56	(11.35)

Particulars	Notes	IGAAP	Ind AS Adjsutments	Ind AS
Attributable to :				
Equity holders of parents		(26.41)		(11.35)
Non-controlling interet		(3.50)		-
Total comprehensive income for the year				
Equity holders of parents		-	-	-
Non-controlling interet		-	-	-
* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.				

iv. Reconciliation of total equity as at 31st March, 2017 and 01st April, 2016

Particulars	**Note**	**31st March, 2017**	**01st April, 2016**
Total equity (shareholder's funds) as per previous GAAP		179.27	1,861.30
Adjustments:			
Revaluation reserve adjusted with Freehold land	1	-	(1,651.39)
Capitalisation of stores & spares	2	5.90	0.02
Net changes in fair value of investments measured at FVTOCI	4	0.45	0.45
Application of guidance note on real estate transactions for Revenue recognition	17	95.61	94.54
Net changes in fair value of investments measured at FVTPL	5	(2.88)	(4.57)
Borrowings measured at amortised cost	6	(0.40)	(0.48)
Expected Credit Loss provision on Financial Assets	8	(96.17)	(123.93)
Preference shares classified as liability	9	(3.59)	(3.24)
Effect of change in accounting due to application of Ind AS 111 " Joint Arrangements" i.e. Share of Joint venture	16	81.57	86.92
Share of Associates	4	2.60	-
Other Adjustments		2.04	(0.71)
Exchange difference on translation of Foreign Operations	18	(0.13)	-
Deferred tax impact on above adjustments	11	49.93	61.97
Total Equity under Ind AS		314.20	320.89

v. Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	Note	31st March, 2017
Profit after tax as per previous GAAP		(29.91)
Adjustments:		
Capitalisation of stores & spares	2	5.88
Application of guidance note on real estate transactions for Revenue recognition	17	1.07
Net changes in fair value of investments measured at FVTPL	5	1.68
Borrowings measured at amortised cost	6	0.08
Expected Credit Loss provision on Financial Assets	8	27.76
Unwinding of interest on preference shares	9	(0.35)
Effect of change in accounting due to application of Ind AS 111 " Joint Arrangements" i.e. Share of Joint venture	16	(5.35)
Other Adjustments		2.02
Remeasurement of defined benefit plan	13	(2.19)
Deferred tax impact on above adjustments	11	(12.04)
Profit after tax as per Ind AS		(11.35)
Other comprehensive income	4,13,18	4.66
Total comprehensive income as per Ind AS		(6.69)

vi. Effects of IND AS adoption on Cash Flows for year ended 31st March 2017

Particulars	IGAAP	Effect of Change in Method of Consolidation under Ind AS	Other Ind AS reclassification adjustments	Ind AS
Net cash flow from operating activities	142.64	12.46	163.70	318.80
Net cash flow from investing activities	(32.26)	2.68	(6.60)	(36.18)
Net cash flow from financing activities	(119.71)	(6.72)	(156.61)	(283.04)
Net increase/(decrease) in cash and cash equivalents	(9.33)	8.42	0.49	(0.42)
Cash and cash equivalents as on 01 April 2016	45.73	(18.03)	(5.36)	22.34
Cash and cash equivalents as on 31 March 2017	36.40	(9.61)	(4.87)	21.92

Reconciliation of changes in cash and cash equivalent for the purpose of consolidated statement of cash flows under Ind AS

Particluars		Notes	31st March, 2017	01st April, 2016
1.Cash and cash equivalent as per the previous GAAP			36.40	45.69
(i)	Unpaid dividend account	20	(0.11)	(0.11)
(ii)	Margin Money Account	19	(5.31)	(6.25)
(iii)	Joint Venture accounting	16	(9.06)	(16.99)
Cash and cash equivalent for the purpose of statement of cash flows			21.92	22.34

Notes:

1. Revaluation Reserve

Under previous GAAP, land was carried at revalued amount and on transition to Ind AS management decided to follow deemed cost after considering the effect of reversal of revaluation reserve.

2. Capitalisation of stores & spares

As per Ind AS 16, spare parts, stand- by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one period.

Based on the above provision, stores and spares satisfying above criteria are de-recognised from Inventory and capitalized as PPE from the date of purchase.

3. Leases

Under IGAAP, Leasehold Land were classified as Fixed Assets as the standard on leases excluded Land. However, as per Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset has not been transferred in the name of the Group, the Group has classified such land under Operating Leases. The amount paid towards such leases has been shown as Prepayments under Other non-current assets and other current assets.

4. Investment in quoted equity instruments of associate at FVTOCI

In accordance with Ind AS 109 "Financial Instruments",investments in quoted equity instruments (other than in subsidiaries, associates and joint ventures)in books of associate, have been recognised at fair value at each reporting date through other comprehensive income.

5. Investment in equity instruments measured at FVTPL

The Group has designated certain Investment in quoted equity instruments at Fair Value through Profit & Loss (FVTPL). Therefore the fair value changes with respect to investments in equity instruments designated as FVTPL have been recognised in retained earnings as at the date of transition and subsequently in the statement of profit & loss for the year ended March 31, 2017.

6. Borrowings

Under previous GAAP, transaction costs in relation to borrowings were initially recognised as an asset and subsequently, amortized over the period of the loan as borrowing costs. Under Ind AS, financial liabilities in the form of borrowings have been measured at amortized cost using the effective interest rate method.

7. Unbilled Revenue

Difference between revenue as per percentage of completion method and billing milestone are considered as unbilled revenue and receivable from such revenue are shown as other financial assets instead of inventories.

8. Expected Credit Loss provision on Financial Assets

Under Indian GAAP, Group recognises provisions on the basis of incurred losses. Under Ind AS, impairment allowance has been recognised based on Expected Credit Loss basis (ECL).The resultant impact has been made to retained earnings.

9. Preference shares considered as financial liability

Cumulative redeemable preference shares issued by the Group have been classified as borrowings and recognized at amortised cost on transition date as against part of share capital under previous GAAP. The difference on the transition date has been recognized in opening retained earnings . Interest charge at effective interest rate on such borrowings has been recognized as finance cost in subsequent periods.

10. Security Deposits

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial instruments are initially required to be measured at fair value. Accordingly, the Group has fair valued the security deposits as on the transition date and difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as advance rent. Subsequently, security deposits are carried at amortised cost and unwinding of interest is charged to Statement of Profit & Loss.

11. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable. Under Ind AS, MAT credit is also presented with deferred tax.

12. Retained earnings

Retained earnings as at 01st April, 2016 & 31st March, 2017 has been adjusted consequent to the above Ind AS transition adjustments.

13. Remeasurement of defined benefit obligations

Under previous GAAP, actuarial gains and losses on employees defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

14. Excise Duty

Under IGAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty has been included in revenue from operations and shown separately as an expense.

15. Others

Interest income & interest expenses which were netted in IGAAP is grossed up under Ind AS.

16. Effect of change in accounting due to application of Ind AS 111 "Joint Arrangement" i.e. Share of Joint venture

Under Indian-GAAP Group had consolidated its interest in Mukand Sumi Metal Processing Ltd. (MSMPL 60.07% holding:31st March 2017) and had proportionately consolidated its interest in Mukand Vini Mineral Ltd (MVML 49.01% holding : 31st March, 2017) in the Consolidated Financial Statement. On transition to Ind AS the Group has assessed and determined that these companies are its joint ventures under Ind AS 111 Joint Arrangements and accordingly has accounted for using the equity method.

17. Application of guidance note on real estate transactions for Revenue recognition

Under previous GAAP, revenue from real estate development was recognized in accordance with Guidance Note on Accounting for Real Estate Transactions [GN(A)23 (Revised 2012)] issued by Institute of Chartered Accountants of India (ICAI). Revenue in respect of projects commenced before that date (i.e. 2012 Guidance Note was applicable prospectively) was recognized in accordance with Guidance note on Recognition of Revenue by Real Estate Developers [GN(A) 23 (Issued 2006)] issued by ICAI. The 2012 guidance note requires project revenue to be measured at "consideration received or receivable" whereas the 2006 Guidance Note only provided guidance on timing of recognition of revenue. Under Ind AS, revenue from all real estate developement projects is measured at "Fair value of consideration received or receivable", in accordance with Guidance Note on Accounting for Real Estate transactions (Ind AS). The new accounting policies require the management to make certain judgments and estimates based on facts and circumstances of each project along with an analysis of past information related thereto.

18. Exchange difference on translation of Foreign Operations

Under Ind AS, an entity shall determine its functional currency which can be different from its local currency on the basis of primary economic environment in which the entity operates, i.e. primarily generates and expends cash. Once determined, entity translates foreign currency items into its functional currency and reports the effects of such translation from the date of the transaction in accordance with Ind AS 21.The net impact on account of change in functional currencies for various assets and liabilities of subsidiaries of the group as on the transition date been taken to other comprehensive income.

19. Margin Money

Under previous GAAP, margin money form part of the cash management process are included in cash and cash equivalents for the purpose of presentation of Statement of Consolidated Cash Flows.
Under Ind As, margin money are considered as part of other non-current financial assets.Consequently cash and cash equivalents for the purpose of cash flows have reduced under Ind AS.

20. Unpaid dividend bank account

Under Ind AS, unpaid dividend bank accounts are not included in cash and cash equivalents for the purpose of presentation of statement of cash flows.Under the previous GAAP, unpaid dividend bank accounts were considered as part of cash and cash equivalents. Consequently cash and cash equivalents for the purpose of cash flows have reduced under Ind AS.

Notes (contd.)

Note 52 : Segment Information for the year ended 31st March, 2018

A. Primary Segment - (Business Segment) :

(Rs. in crores)

Particulars	Steel	Industrial Machinery	Others	Eliminations	Total
Segment Revenue :					
External Revenue	3,409.30	73.28	45.37	-	3,527.95
Inter-Segment Revenue	1,881.98	7.22	1.12	(1,890.32)	-
Total Revenue	**5,291.28**	**80.50**	**46.49**	**(1,890.32)**	**3,527.95**
Segment Results	109.34	(25.69)	(30.12)	-	53.53
Add : Other Incomes					
Other Income					44.95
Exceptional Items					1,283.40
Share in Profit of Associates and Joint ventures					10.77
Less : Finance Costs					(472.56)
Less : Tax Expense (net)					(99.06)
Profit after Tax					821.03
Other Comprehensive Income					1.06
Total Comprehensive Income					822.09
Other Information					
Segment Assets	2,258.54	372.48	227.48		2,858.50
Un-allocated Assets					1,547.30
Total Assets					**4,405.80**
Segment Liabilities	991.55	61.65	204.22		1,257.42
Un-allocated Liabilities					2,068.63
Total Liabilities					**3,326.05**
Capital Expenditure					
Segment Capital Expenditure	80.35	0.07	-		80.42
Un-allocated Capital Expenditure					5.09
Total Capital Expenditure					**85.51**
Depreciation & Amortisation					
Segment Depreciation & Amortisation	156.06	2.07	-		158.13
Un-allocated Depreciation & Amortisation					0.19
Total Depreciation & Amortisation					**158.32**
Significant Non-Cash Expenditure (Net of Non Cash Credits)					
Segment Non-Cash Expenditure	51.16	(2.79)	21.58		69.95
Un-allocated Non-Cash Expenditure					(19.85)
Total Significant Non-Cash Expenditure					**50.10**

B. Secondary Segment - (Information of Geographical Areas) :

(Rs. In crores)

Particulars	India	Rest of the World	Total
Segment Revenue	3,237.32	290.63	3,527.95
Non Current Assets #	739.82	0.01	739.83

other than financial instruments, deferred tax assets, post-employment benefits assets.

C. Other Disclosures

Business segment has been disclosed as primary segment.

Types of products and services in each business segment:

1. Steel – billets, blooms, rounds, wire rods, bars, rods and sections, bright bars and wires of special & alloy steel and stainless steel.
2. Industrial Machinery and Engineeering Contracts - EOT and other cranes, steel structurals, material handling equipment, processing plant and equipment, etc.
3. Others - Comprise Segments of Road Construction, property development and income from operations of Non-banking Financial Activities.

The segments as reported above include trading activity of the respective segments.

The Segment Information include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

During the year ended 31st March, 2018 at group level Mukand made sale of Rs. 534.83 crores to one of its customer in steel segment.

Notes (contd.)

Note 52 : Segment Information for the year ended 31st March, 2017

A. Primary Segment - (Business Segment) :

(Rs. in crores)

Particulars	Steel	Industrial Machinery	Others	Eliminations	Total
Segment Revenue :					
External Revenue	2,868.16	153.56	19.62	-	3,041.34
Inter-Segment Revenue	147.20	2.41	0.30	(149.91)	-
Total Revenue	3,015.36	155.97	19.92	(149.91)	3,041.34
Segment Results	305.88	(10.45)	(5.53)	-	289.90
Add : Other Incomes					
Other Income					31.50
Exceptional Items					-
Share in Profit of Associates and Joint ventures					14.01
Less : Finance Costs					(293.59)
Less : Tax Expense (net)					(53.17)
Profit after Tax					(11.35)
Other Comprehensive Income					4.66
Total Comprehensive Income					(6.69)
Other Information					
Segment Assets	3,522.26	417.72	147.37		4,087.35
Un-allocated Assets					388.74
Total Assets					4,476.09
Segment Liabilities	1,007.54	60.91	81.23		1,149.68
Un-allocated Liabilities					3,012.21
Total Liabilities					4,161.89
Capital Expenditure					
Segment Capital Expenditure	73.20	0.67	-		73.87
Un-allocated Capital Expenditure					0.17
Total Capital Expenditure					74.04
Depreciation & Amortisation					
Segment Depreciation & Amortisation	68.01	2.42	-		70.43
Un-allocated Depreciation & Amortisation					1.07
Total Depreciation & Amortisation					71.50
Significant Non-Cash Expenditure (Net of Non Cash Credits)					
Segment Non-Cash Expenditure	3.07	0.83	0.45		4.35
Un-allocated Non-Cash Expenditure					(19.85)
Total Significant Non-Cash Expenditure					(15.50)

B. Secondary Segment - (Information of Geographical Areas) :

(Rs. In crores)

Particulars	India	Rest of the World	Total
Segment Revenue	2,853.07	188.27	3,041.34
Non Current Assets #	987.66	0.01	987.67

other than financial instruments, deferred tax assets, post-employment benefits assets.

C. Other Disclosures

Business segment has been disclosed as primary segment.

Types of products and services in each business segment:

1. Steel – billets, blooms, rounds, wire rods, bars, rods and sections, bright bars and wires of special & alloy steel and stainless steel.
2. Industrial Machinery and Engineeering Contracts - EOT and other cranes, steel structurals, material handling equipment, processing plant and equipment, etc.
3. Others - Comprise Segments of Road Construction, property development and income from operations of Non-banking Financial Activities.

The segments as reported above include trading activity of the respective segments.

The Segment Information include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

During the year ended 31st March, 2017 at group level Mukand made sale of Rs. 344.04 crores to one of its customer in steel segment.

Note 53 : Statement of Net Assets and Profit or Loss Attributable to owners.

Rs. in Crores

Sr No	Name	Net Assets						Share in Profit or (Loss)				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
		31-Mar-18		31-Mar-17		01-Apr-16		2017-18		2016-17		2017-18		2016-17		2017-18		2016-17	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Mukand Limited - Holding Co		**105.03%**	**1,134.06**	116.02%	364.55	119.10%	382.17	**5.37%**	**44.06**	174.54%	(19.81)	**2897.17%**	**30.71**	47%	2.19	**9.10%**	**74.77**	263.38%	(17.62)
A. Subsidiaries																			
(i)	Mukand Global Finance Ltd. (MGFL)	**2.54%**	**27.43**	7.57%	23.77	7.40%	23.73	**0.45%**	**3.66**	-0.35%	0.04	**0.00%**	**-**	0%	-	**0.45%**	**3.66**	-0.60%	0.04
(ii)	Vidyavihar Containers Ltd. (VCL)	**-4.07%**	**(43.93)**	13.49%	42.39	-10.32%	(33.13)	**-0.19%**	**(1.54)**	81.59%	(9.26)	**0.00%**	**-**	0%	-	**-0.19%**	**(1.54)**	138.42%	(9.26)
(iii)	Mukand International Ltd. (MIL)	**0.00%**	**0.02**	0.00%	0.01	0.01%	0.02	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.00%	-
(iv)	Mukand International FZE (MIFZE)	**1.36%**	**14.66**	4.32%	13.57	4.42%	14.17	**0.12%**	**1.01**	-10.04%	1.14	**7.55%**	**0.08**	-3%	(0.13)	**0.13%**	**1.09**	-15.10%	1.01
(v)	Mukand Vijayanagar Steel Ltd (MVSL) #	**0.00%**	**-**	0.00%	-	0.00%	-	**0.00%**	**-**	0.70%	(0.08)	**0.00%**	**-**	0%	-	**0.00%**	**-**	1.20%	(0.08)
(vi)	Mukand Audyogik Yantra Pvt Ltd (MAYPL) *	**0.00%**	**-**	0.00%	-	0.00%	-	**0.00%**	**-**	0.09%	(0.01)	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.15%	(0.01)
(vii)	Mukand Heavy Machinery Pvt Ltd (MHMPL) *	**0.00%**	**-**	0.00%	-	0.00%	-	**0.00%**	**-**	0.09%	(0.01)	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.15%	(0.01)
(viii)	Mukand Sumi Special Steel Ltd (MSSSL) formerly known as (Mukand Alloy Steel Ltd (MASL)) - $	**0.00%**	**-**	0.02%	0.05	-0.01%	(0.03)	**0.00%**		0.18%	(0.02)	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.30%	(0.02)
B. Joint Ventures																			
(i)	Mukand Sumi Special Steel Ltd (MSSSL) formerly known as (Mukand Alloy Steel Ltd (MASL)) - $	**63.45%**	**685.06**	0.00%	-	0.00%	-	**-14.51%**	**(119.14)**	0.00%	-	**0.00%**	**-**	0%	-	**-14.49%**	**(119.14)**	0.00%	-
(ii)	Mukand Sumi Metal Processing Ltd. (MSMPL)	**25.56%**	**276.03**	85.55%	268.79	80.25%	257.52	**0.77%**	**6.32**	-59.65%	6.77	**0.00%**	**-**	0%	-	**0.77%**	**6.32**	-101.19%	6.77
(iii)	Hospet Steels Ltd. (HSL)	**0.00%**	**-**	0.00%	-	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.00%	-
(iv)	Mukand Vini Mineral Ltd. (MVML)	**0.00%**	**-**	0.00%	-	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.00%	-
C. Associates																			
(i)	Mukand Engineers Ltd. (MEL)	**3.65%**	**39.36**	17.11%	53.77	15.33%	49.19	**-0.48%**	**(3.92)**	8.27%	(0.94)	**-121.70%**	**(1.29)**	56%	2.60	**-0.63%**	**(5.21)**	-24.83%	1.66
(ii)	Bombay Forgings Ltd. (BFL)	**0.00%**	**-**	0.00%	-	0.00%	-	0.00%	-	0.00%	-	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.00%	-
(iii)	Stainless India Ltd. (SIL)	**0.00%**	**-**	0.00%	-	0.00%	-	0.00%	-	0.00%	-	**0.00%**	**-**	0%	-	**0.00%**	**-**	0.00%	-
	Total	**197.52%**	**2,132.71**	244.08%	766.90	216.16%	693.64	-8.47%	(69.55)	195.41%	(22.18)	**2783.02%**	**29.50**	100%	4.66	**-4.87%**	**(40.05)**	261.87%	(17.52)
	Intercompany elimination and consolidation adjustments	**-97.52%**	**(1,052.94)**	-144.08%	(452.70)	-116.16%	(372.75)	108.47%	890.58	-95.41%	10.83	**-2683.02%**	**(28.44)**	0%	-	**104.87%**	**862.14**	-161.87%	10.83
	Total	**100%**	**1,079.75**	100%	314.20	100%	320.89	100%	821.03	100%	(11.35)	**100%**	**1.06**	100%	4.66	**100.00%**	**822.09**	100.00%	(6.69)

* Mukand Audyogik Yantra Pvt Ltd and Mukand Heavy Machinery Pvt Ltd were subsidiaries upto 28th February, 2018.

\# Mukand Vijayanagar Steel Ltd got amalgamated with Mukand Sumi Special Steel Ltd

$ Subsidiary till 29th March, 2018 and Joint venture with effect from 30th March, 2018 by virtue of addendum to Share subscription and Shareholders agreement dated 30th March, 2018.

Notes (contd.)

Note 54 : Other Notes

(i) MGFL has complied with the Prudential Norms relating to Income Recognition, Accounting Standards, Asset Classification and Provisioning for Bad and Doubtful Debts as required by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. MGFL has also made provision on Standard Assets as on 31st March, 2018 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.

(ii) Since the assets size of MGFL is less than Rs.500 crore, it is exempted from compliance of Credit Concentration Norms of Reserve Bank of India circular No. DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10/11/2014. As a matter of prudent practice, MGFL continued the disclosure in respect of CRAR, Exposure to Real Estate Sector, Leverage Ratio and Maturity Pattern of certain items of Assets and Laibilities.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

Note 55 : Previous Year's figures have been regrouped / recast wherever necessary.

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, May 29, 2018

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN: 00028261

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

Suketu V Shah
Joint Managing Director
DIN: 00033407

S B Jhaveri
Chief Financial Officer

K J Mallya
Company Secretary

Mumbai, May 29, 2018

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NOTES

NOTES

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 ..... Equity shares and/or ..... CRPS* 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 80th Annual General Meeting of the Company, to be held on the Monday, 13th August, 2018 at 4.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
Ordinary Business		**For**	**Against**
1.	Adoption of audited standalone financial statements and audited consolidated financial statements for the year ended March 31, 2018 and the Reports of Directors' and Auditors' thereon		
2.	Re-appointment of Shri Niraj Bajaj (DIN: 00028261), who retires by rotation		
3.	Re-appointment of Shri Rajesh V. Shah (DIN: 00033371), who retires by rotation		
4.	To fix the remuneration of M/s. Haribhakti & Co, LLP, Chartered Accountants, Statutory Auditors of the Company		
Special Business			
5.	Ratification of remuneration to Cost Auditor for year 2018-19		
6.	Approval of Material Related Party Transactions		
7.	Fees for service of documents(s) to Members		
8.	Approval for issue of Redeemable Non-convertible Debentures on private placement basis		
9.	Appointment of Shri Pratap V. Ashar (DIN:02436046) as a Director of the Company		
10.	Appointment of Shri Pratap V. Ashar as a Whole-time Director		

* 0.01% Cumulative Redeemable Preference Shares

Signed this ..... day of ..... 2018.

Affix
Re. 1/-
Revenue
Stamp

Signature of shareholder

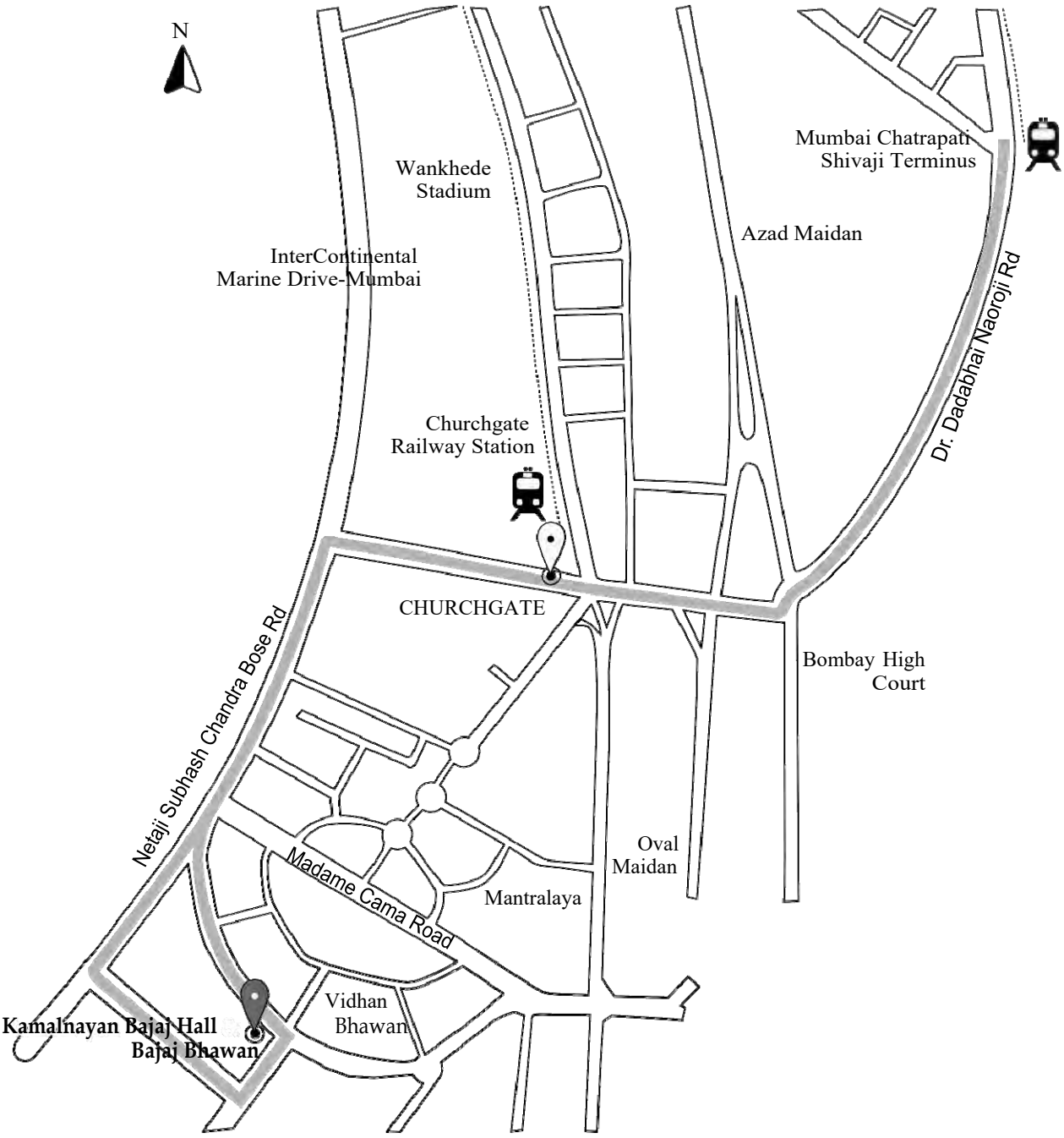
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. In case you are holder of both equity and 0.01% Cumulative Redeemable Preference shares(preference shares), please deposit seperate proxy forms for equity & preference shares duly completed and signed, after filling details of your respective folio /Client Id /DP Id no.s of equity /preference shareholding therein.
3. As provided under Regulation 44 of SEBI LODR 2015, shareholder may vote either for or against each of the above resolution.

Route map to the AGM Venue of:

MUKAND LIMITED
80th Annual General Meeting
Monday, 13th August, 2018 at 04:00 pm



Venue of AGM:

Kamalnayan Bajaj Hall,
Bajaj Bhavan, Jamnalal Bajaj Marg,
Nariman Point,
Mumbai - 400021
Ph.: 022 2202 3626

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MUKAND
Infinite resolve

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