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

Date: 07/09/2020

1.	Department of Corporate Services **BSE Ltd.,** 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. ISINCODE: INE304A01026 INE304A04012 NSE Scrip Name: MUKANDLTD.

Dear Sir/Madam,

Sub.: 82nd Annual Report of Mukand Limited for FY: 2019-20 along with Notice of 82nd Annual General Meeting .

Ref.: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulation 34 of Listing Regulations, please find attached the 82nd Annual report of the Company for the FY: 2019-20 along with the Notice of 82nd Annual General Meeting of the Company scheduled to be held on Tuesday, 29th September, 2020, at 2.00 p.m. (IST) through video conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The 82nd Annual Report 2019-20 along with the Notice has been sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories /RTA. The 82nd Annual Report 2019-20 along with the notice has also been uploaded on the website of the Company under investor section at www.mukand.com.

This is for your information and record.

For **Mukand Limited**

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

MUKAND
Infinite resolve

MUKAND

Infinite resolve

82nd Annual Report

2019 - 20

BOARD OF DIRECTORS AND THE MANAGEMENT TEAM

BOARD OF DIRECTORS

Niraj Bajaj	Chairman & Managing Director
Rajesh V Shah	Co-Chairman & Managing Director
Suketu V Shah	Joint Managing Director
Prakash V Mehta	
Amit Yadav	
Bharti R Gandhi	
Pratap V Ashar	Director & Advisor - Administration
Sankaran Radhakrishnan (w.e.f. 20th May, 2019)	

Auditors

Haribhakti & Co. LLP, Chartered Accountants

THE MANAGEMENT TEAM

Niraj Bajaj	Chairman & Managing Director
Rajesh V Shah	Co-Chairman & Managing Director
Suketu V Shah	Joint Managing Director
Pratap V Ashar	Director & Advisor - Administration
A M Kulkarni	Chief Executive Officer
Umesh V Joshi	Chief Financial Officer
K J Mallya	Company Secretary
R. Jagannathan	Chief Executive (Industrial Machinery Division)

ANNUAL GENERAL MEETING

Tuesday, September 29, 2020 at 2:00 p.m.

through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

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

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Notice

MUKAND LIMITED

(CIN: L99999MH1937PLC002726)
Registered Office: Bajaj Bhawan, Jamnalal Bajaj Marg, 226,
Nariman Point, Mumbai – 400021, Tel: 022–61216666, Fax: 022-22021174,
E-mail: investors@mukand.com, Website: www.mukand.com

To
The Members,

NOTICE is hereby given that the **82nd ANNUAL GENERAL MEETING** of the Members of **MUKAND LIMITED** will be held on Tuesday, 29th September, 2020 at 2.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited standalone financial statements and audited consolidated financial statements of the Company for the year ended 31st March, 2020, together with the Report/s of the Board of Directors and the Auditors thereon.

2. To appoint a Director in the 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 and fix the remuneration of Statutory Auditors.

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

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. DHC & Co., Chartered Accountants (ICAI Firm Registration No. 103525W), be and are hereby appointed as the Statutory Auditors of the Company, in place of retiring auditors, M/s. Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 103523W/W100048), to hold office from the conclusion of the 82nd Annual General Meeting until the conclusion of the 87th Annual General Meeting of the Company, on such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) be and is hereby authorized to do all necessary acts, deeds, things and matters, and execute all such documents, as may be necessary in this regard from time to time to give effect to this resolution."

SPECIAL BUSINESS:

4. 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 all other applicable provisions, if any, of the Companies Act, 2013 as amended ("the Act") and the Companies (Audit and Auditors) Rules, 2014 and other applicable Rules and provisions if any, of the Act, and as per the recommendation of the Audit Committee, remuneration of Rs.90,000/- (Rs. Ninety Thousand Only) plus reimbursement of actual travelling and other out of pocket expenses and applicable taxes to be paid to M/s. Y. R. Doshi & Co., Cost Accountants (Firm Registration No. 000003) as Cost Auditors, for conducting the audit of cost records of the Company for the financial year 2020-21, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board), 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."

5. Increase in Borrowing Powers of the Board

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, and in supersession of the earlier resolution passed by the members of the Company in this regard at their 79th AGM held on 24th July, 2017, the consent of the Company 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 thereof) for borrowing from time to time, at its discretion, on such terms and conditions as to repayment, interest or otherwise, any sum or sums of monies which, together with the money already borrowed by the Company, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business exceeding the aggregate of the paid-up share capital and free reserves, provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed the limit of Rs. 3,750 crore (Rs. Three Thousand Seven Hundred and Fifty Crore only) at any one time.

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required in its absolute discretion pursuant to the above Resolution and delegate all or any of its powers herein conferred to any Committee of director(s) to give effect to the above resolution."

6. Re-appointment and approval of remuneration of Shri Niraj Bajaj (DIN:00028261) as Chairman & Managing 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment, statutory modification or re-enactment thereof for the time being in force) and Regulation 17(6) {e} of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and based on recommendation of Nomination & Remuneration Committee and subject to such sanctions as may be necessary, approval of the members of the Company be and is accorded to the re-appointment of Shri Niraj Bajaj (DIN: 00028261) as Chairman & Managing Director ('CMD') of the Company for a further period of 3 (three) years with effect from 5th July, 2020, liable to retire by rotation, upon the terms and conditions including remuneration as set out in the explanatory statement relating to this resolution annexed to the Notice convening this meeting, 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 Niraj Bajaj, within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or otherwise, the Board of Directors be and is hereby authorised to vary or increase or revise the remuneration of CMD from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time, and the agreement between the Company and CMD 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 and Company Secretary of the Company be and is severally hereby authorised to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or expedient and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any Committee of director(s) to give effect to the above resolution."

7. Re-appointment and approval of remuneration of Shri Rajesh V. Shah (DIN:00021752) as Co-Chairman & Managing 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment, statutory modification or re-enactment thereof for the time being in force) and Regulation 17(6) {e} of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and based on recommendation of Nomination & Remuneration Committee and subject to such sanctions as may be necessary, approval of the members of the Company be and is accorded to the re-appointment of Shri Rajesh V. Shah (DIN: 00021752) as Co-Chairman & Managing Director (CCMD) of the Company for a further period of 3 (three) years with effect from 5th July, 2020, liable to retire by rotation, upon such terms and conditions including remuneration as set out in the explanatory statement relating to this Resolution annexed to the notice convening this meeting, 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 Rajesh V. Shah, within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or otherwise, the Board of Directors be and is hereby authorized to vary or increase or revise the remuneration of CCMD from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time, and the agreement between the Company and CCMD 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 and Company Secretary of the Company be and is hereby severally hereby authorised to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or expedient and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any Committee of director(s) to give effect to the above resolution."

8. Re-appointment and approval of remuneration of Shri Suketu V. Shah (DIN: 00033407) as Joint Managing 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment, statutory modification or re-enactment thereof for the time being in force) and Regulation 17(6) {e} of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and based on recommendation of Nomination & Remuneration Committee and subject to such sanctions as may be necessary, approval of the members of the Company be and is accorded to the re-appointment of Shri Suketu V. Shah (DIN:00033407) as Joint Managing Director (JMD) of the Company for a further period of 3 (three) years with effect from 5th July, 2020, liable to retire by rotation, upon such terms and conditions including remuneration as set out in the explanatory statement relating to this Resolution annexed to the notice convening this meeting, 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 Suketu V. Shah, within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or otherwise, the Board of Directors be and is hereby authorised to vary or increase or revise the remuneration of JDM from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time, and the agreement between the Company and JMD 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 and Company Secretary of the Company be and is hereby severally hereby authorised to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or expedient and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any Committee of director(s) to give effect to the above resolution."

9. Approval of Material Related Party Transactions for FY: 2020-21

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 (Meetings of Board and its Powers) Rules, 2014 as applicable and any amendments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, 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 during the financial year 2020-21 with Mukand Sumi Metal Processing Limited (MSMPL) and 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 percent of the annual consolidated turnover of the Company as per audited financial statements of FY: 2019-20; detailed in the explanatory statement annexed to the notice convening this meeting, as summarized below:

Name of Related Party & Description of Contract	Period of Contract	Total estimated cumulative contract value with Related Parties for FY:2020-21 (Rs. in 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 1, 2020 To March 31, 2021	572.30
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 1, 2020 To March 31, 2021	1649.25

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 authorised 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."

10. General approval for 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, in supersession of the earlier resolution passed in this regard by the members at their 81st Annual General Meeting, 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 authorised 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."

11. Sale/ Transfer upto 51% equity shares held in Mukand Sumi Special Steel Limited, a Joint Venture of Company

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules made thereunder (collectively the "Act"), Regulation 24(5) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications, amendments or re-enactments thereof for the time being in force), and in accordance with and subject to the provisions of Memorandum and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary be obtained from the appropriate authorities to the extent applicable and necessary, approval and consent 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 include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to sell/transfer or otherwise dispose-off in one or more tranches, over a period of 12 months, upto 51% equity shares held by the Company in Mukand Sumi Special Steel Limited ("MSSSL") ("Sale Shares"), a Joint Venture of the Company, to the Promoter Group Entity(ies) of the Company ("Proposed Buyer"), at a consideration of not less than INR 571.91 per share, aggregating to total consideration of not less than INR 1,212.95 crore, with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interests of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to effect the sale/ transfer, in one or more tranches, over a period of 12 months of upto 51% equity shares of MSSSL, including but not limited to (i) deciding the Proposed Buyer, time, mode, manner and extent of tranches, if required, (ii) to finalize, vary and settle the terms and conditions of the sale/transfer of the equity shares; (iii) settle and finalize all issues that may arise in this regard, without further referring to the members of the Company (iv) to finalize the share purchase agreement, and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants and agreeing to consideration as may be agreed); (v) to execute, deliver and perform such share purchase agreement, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; (vi) to file applications and make representations to seek the requisite approvals in respect thereof from the relevant government authorities, including but not limited to Registrar of Companies, Income Tax Authorities, Competition Commission of India, any other statutory or regulatory authorities and third parties, including lenders of the Company and joint venture partner of MSSSL with the Company (Sumitomo Corporation, Japan), if required; (vii) to sign and submit such applications, letters, forms, returns, deeds, documents and to settle any question, difficulty, doubt that may arise, if any with regard to this proposed share sale transaction and reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and (viii) to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or to any Committee of Directors or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in the foregoing resolution are hereby approved ratified and confirmed in all respects."

12. **Approval of Related Party Transaction – Sale/Transfer upto 51% equity shares held in Mukand Sumi Special Steel Limited to Promoter Group Entity(ies)**

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other relevant rules made thereunder (collectively the "Act"), Regulation 23 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications, amendments or re-enactments thereof for the time being in force), and in accordance with and subject to the provisions of Memorandum and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary be obtained from the appropriate authorities to the extent applicable and necessary, approval and consent 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 include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to enter into a related party transaction in relation to sale/transfer or otherwise disposal in one or more tranches, over a period of 12 months, upto 51% equity shares held by the Company in Mukand Sumi Special Steel Limited ("MSSSL") ("Sale Shares"), a Joint Venture of the Company, to the Promoter Group Entity(ies) of the Company ("Proposed Buyer"), at a consideration of not less than INR 571.91 per share, aggregating to total consideration of not less than INR 1,212.95 crore, with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interests of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, to effect the sale/ transfer, in one or more tranches, over a period of 12 months of upto 51% equity shares of MSSSL, including but not limited to (i) deciding the Proposed Buyer, time, mode, manner and extent of tranches, if required, (ii) to finalize, vary and settle the terms and conditions of the sale/transfer of the equity shares; (iii) settle and finalize all issues that may arise in this regard, without further referring to the members of the Company (iv) to finalize the share purchase agreement, and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants and agreeing to consideration as may be agreed); (v) to execute, deliver and perform such share purchase agreement, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; (vi) to file applications and make representations to seek the requisite approvals in respect thereof from the relevant government authorities, including but not limited to Registrar of Companies, Income Tax Authorities, Competition Commission of India, any other statutory or regulatory authorities and third parties, including lenders of the Company and joint venture partner of MSSSL with the Company (Sumitomo Corporation, Japan), if required; (vii) to sign and submit such applications, letters, forms, returns, deeds, documents and to settle any question, difficulty, doubt that may arise, if any with regard to this proposed share sale transaction and reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and (viii) to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or to any Committee of Directors or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in the foregoing resolution are hereby approved ratified and confirmed in all respects."

By Order of the Board of Directors

For **MUKAND LIMITED**

Place: Mumbai
Date: August 31, 2020

K. J. Mallya
Company Secretary

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, hereinafter called as 'e-AGM'.

2. The deemed venue for 82nd e-AGM shall be the registered office of the Company.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and tovote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to khamankarcs@gmail.com with a copy marked to mohsin.mohd@kfintech.com.

5. The Members can join the e-AGM in the VC/OAVM mode15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the e-AGM without restriction on account of first come first served basis.

6. Statement pursuant to section 102 (1) of the Act in respect of special businesses set out at item nos. 4 to 12 of the Notice is annexed hereto. Further additional information with respect to Item No. 3 is also annexed hereto. The Board of Directors at its meetings held on 27th June 2020 and 31st August 2020, has decided that the special businesses set out under item no. 4 to 12, being considered 'unavoidable', be transacted at the 82nd e-AGM of the Company.

7. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and as per provisions of the Act.

8. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled

start time of the e-AGM, i.e. from 1.45 p.m. to 2.15 p.m. and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors,directors, key and senior managerial personnel, auditors etc.

9. Institutional Investors, who are members of the Company are encouraged to attend and vote at the 82nd e-AGM of the Company.

10. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA of the Company viz. KFin Technologies Pvt. Ltd. ('KFintech').

11. 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. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the e-AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at www.mukand.com, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of Company's RTA at https://evoting.kfintech.com/

12. **To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with KFintech by clicking on the link https://ris.kfintech.com/email_registration/.**

13. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with RTA of the Company by clicking the link: https://ris.kfintech.com/email_registration/ for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.

14. With a view to helping 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.

15. SEBI vide its notification dated 8thJune 2018 as amended on 30th November 2018, has stipulated that w.e.f. 1st April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to demat their physical holdings.

16. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of 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.

17. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.

18. The Company has been maintaining, inter alia, following statutory registers at the registered office of the Company:

    (a) Register of contracts or arrangements in which directors are interested under section 189 of the Act.

    (b) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

    In accordance with the MCA circulars, the said registers shall be made accessible for inspection through electronic mode without any fee from the date of circulation of this Notice up to the date of e-AGM i.e. September 29, 2020, which shall remain open and be accessible to any member during the continuance of the meeting. Members seeking to inspect such documents can send their request at the email ID kjmallya@mukand.com.

19. **Post your queries:** For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance by visiting URL https://emeetings.kfintech.com and clicking on the tab "Post your Queries" during the period starting from 26th September, 2020 (9.00 a.m.) upto 28th September, 2020 (5.00 p.m.) mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting. In addition to above members may also express their views or ask questions while attending/participating in the e-AGM, by pressing the tab "Ask a Question" on the screen. The window shall remain active during the continuance of the e-AGM.

20. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

21. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.

22. In case a person has become a member of the Company after dispatch of e-AGM Notice, but on or before the cut-off date for e-voting, i.e., Tuesday, 22nd September, 2020 (End of day), such person may obtain the User ID and Password from RTA by e-mail request on mohsin.mohd@kfintech.com

23. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail at the e-mail id investors@mukand.com for obtaining the Annual Report and Notice of e-AGM.

24. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

25. **In view of the non-payment of dividend on 0.01% Cumulative Redeemable Preference shares (CRPS), in terms of section 47 of the Act, the holders of such preference shares shall have right to vote in proportion to paid up capital on such shares, on all the resolutions to be passed in respect of businesses to be transacted at the above meeting.**

26. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should beobtained from the concerned Depository Participant and holdings should be verified.

27. Members desirous of getting any information about the accounts and operations of the Company are requested to address their query to the Company Secretary at the Registered Office or email at kjmallya@mukand.com OR investors@mukand.com 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.

28. Instructions for e-voting and joining the e-AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS (E-VOTING):

i. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility through the e-voting service ('remote e-voting') provided by KFin Technologies Private Limited (KFintech) on all resolutions set forth in this Notice, before the e-AGM.

ii. **The remote e-voting period commences on Saturday, September 26, 2020 (9.00 A.M. IST) and ends on Monday, September 28, 2020 (5.00 P.M. IST).** During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on "**Cut-off date" i.e., Tuesday, September 22, 2020** may cast their vote electronically. The remote e-voting module shall be disabled by KFin Technologies Private Limited for voting thereafter. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date i.e., Tuesday, September 22, 2020.

iv. The details of the process and manner for remote e-voting are given below:

   a. Initial password is provided in the body of the email.

   b. Launch internet browser and type the URL: https://evoting.kfintech.com, in the address bar.

   c. 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 KFin for e-voting, you can use your existing User ID and password for casting your votes.

v. The details of the process and manner for remote e-voting are given below:

vi. 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii. You need to login again with the new credentials.

viii. On successful login, the system will prompt you to select the EVENT i.e. Mukand Limited

ix. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, 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' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

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

xi. 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.

xii. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through e-mail at khamankarcs@gmail.com and 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 "**MUKAND LIMITED EVENT No.**'

xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 1800 345 4001 (toll free).

B. VOTING AT E-AGM:

i. Only those members/shareholders, who will be present in the e-AGM through video conferencing facility and have not cast their vote through remote e-voting & are otherwise not barred from doing so are eligible to vote through e-voting in the e-AGM.

ii. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.

iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

iv. Upon declaration by the Chairman about the commencement of e-voting at e-AGM, members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.

v. Members to click on the 'Instapoll' icon to reach the resolution page and follow the instructions to vote on the resolutions.

C. INSTRUCTIONS FOR ATTENDING THE E-AGM:

i. Members may access the platform to attend the e-AGM through VC at https://emeetings.kfintech.com by using their remote e-voting login credentials. The link for e-AGM will be available in members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading A above.

ii. The facility for joining the e-AGM shall open 15 minutes before the scheduled time for commencement of the e-AGM and shall be closed after the expiry of 15 minutes after such scheduled time.

iii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.

iv. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.

v. While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

vi. **Speaker Registration:** Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab "Speaker Registration" during the period starting from 26th September, 2020 (9.00 a.m. IST) upto 28th September, 2020 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.

vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com

viii. Members who need technical assistance before or during the 82nd e-AGM of the Company, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com or contact Shri Mohsin Mohd, Senior Manager - Corporate Registry (Unit: Mukand Limited) of KFin Technologies Private Limited, Selenium Tower- B, Plot 31 & 32, Gachibowli, Financial District, Nankramguda, Hyderabad-500 032 or at einward.ris@kfintech.com and evoting@kfintech.com or call toll free No. 1-800-3454-001 for any further clarifications.

D. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE E-AGM:

i. The Board of Directors has appointed Mr. Anant Khamankar of M/s. Anant B. Khamankar & Co., Practising Company Secretary, (FCS No. 3198, CP No. 1860) Mumbai, as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.

ii. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out inthe Notice of the 82nd e-AGM and announce the start of the casting of vote through the e-voting system of KFin Technologies Pvt. Ltd.

iii. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company or any person authorised by him after completion of the scrutiny.

iv. After the conclusion of voting at the e-AGM, the Scrutinizer shall submit a report after taking into account votes cast at the e-AGM as well as through remote e-votingin accordance with provisions of Rule 20 of Companies (Management and Administration) Rules, 2014, as amended to the Chairman or any person authorised by him for this purpose, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website at www.mukand.com and on the website of KFintech at https://evoting.kfintech.com and shall also be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the e-AGM of the Company.

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

Mumbai
August 31, 2020

K. J. Mallya
Company Secretary

EXPLANATORY STATEMENT

[Pursuant to section 102(1) of the Companies Act, 2013 (“Act”) Read with SEBI (LODR) Regulations 2015, the following explanatory statement sets out all material facts relating to business mentioned under item nos. 3 to 12 of the accompanying Notice].

Item No. 3

Members of the Company at the 81st Annual General Meeting (“AGM”)held on 8th August, 2019, approved the appointment of M/s. Haribhakti & Co., Chartered Accountants, as the statutory auditors (“Existing Statutory Auditors”) of the Company for a period of 1 year from the conclusion of the 81st AGM of the Company till the conclusion of 82nd AGM of the Company. Therefore, the existing Statutory Auditors will complete their present term on conclusion of this AGM and being Company’s auditors for consecutive ten years, are not eligible for further term as per provisions of Section 139 of the Companies Act, 2013 (‘the Act’) read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company (‘the Board’), on the recommendation of the Audit Committee (‘the Committee’), recommended for the approval of the Members, the appointment of M/s. DHC & Co., Chartered Accountants , as the new Statutory Auditors of the Company for a period of five years from the conclusion of this 82nd AGM till the conclusion of the 87th AGM.

The details, terms and conditions of appointment (including remuneration) of the Auditor proposed to be appointed, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are as follows:

Name of Auditor	M/s. DHC & Co., Chartered Accountants
Brief Profile and Credentials of the Firm	M/s. DHC & Co., is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI). The firm was established in the year 1981 and it has Head office in Mumbai and have branch offices in major cities of India. The audit firm has valid Peer Review certificate Issued by the Peer Review Board of the ICAI. The Firm has 300+ members, including Partners, Directors, Associate Directors, Managers, Associates, Article Trainees, etc.
Basis of recommendation for appointment	The Board and Audit Committee, have considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company’s operating segments, market standing of the firm, clientele served, technical knowledge etc., and found said firm to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.
Terms of appointment	The tenure of said firm as Auditors will be from the conclusion of the 82nd AGM of the Company, for a period of five years i.e. till the conclusion of 87th AGM of the Company on such terms as may be mutually determined by the Board of Directors of the Company in consultation with the Auditors.
Proposed fee payable	Not exceeding Rs.52,00,000/- (Rupees Fifty Two Lakhs only) payable to the Auditors for the financial year 2020-21 plus applicable taxes and out of pocket expenses, as may be incurred, in connection with the statutory audit of Standalone and Consolidated financial statements of the Company. The fees payable for statutory audit per financial year to the Auditors for the financial year 2020-21 and onwards till the remainder of their tenure, will be mutually determined by the Board of Directors/ Committee thereof, in consultation with the Auditors.
Material change in the fee payable to the auditor from that paid to the outgoing auditor Rationale for such change in remuneration	There is no material change in the proposed fees payable to the Auditors as compared to fees paid to outgoing Statutory Auditors for the financial year 2019-20.

Item No.4

The Board of Directors of the Company at its meeting held on 27th June, 2020, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Y R. Doshi & Co., Cost Accountants (Firm Registration No.000003) to conduct the audit of the cost records of the Steel Plants at Kalwe and Hospet and Engineering Contracts and Industrial Machinery Division etc. at Kalwe for the financial year ending March 31, 2021 on a remuneration of Rs.90,000/- (Rs. Ninety Thousand Only) plus reimbursement of actual travelling and other out of pocket expenses plus taxes 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 is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary resolution asset out at Item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolutions set out at Item No. 4 of the Notice for approval by members.

Item No. 5

In compliance with the provisions of Section 180(1)(c) of Companies Act, 2013, the Members of the Company had passed special resolutions at 79th Annual General Meeting held on 24th July, 2017, enabling the Board of Directors to borrow money for the purpose of the business upto the limit not exceeding Rs. 3,000 crore.

However, keeping in view the Company’s growth, restructuring exercise being undertaken and increasing business operations of the Company, the Board of Directors at its meeting held on 31st August, 2020, proposed to increase the borrowing powers of the Board under Section 180 (1) (c) of the Companies Act, 2013, from present limit of Rs. 3,000 crore to Rs.3,750 crore.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special resolution set out at Item No. 5 of the Notice for approval by members.

Item Nos. 6, 7 & 8

The Shareholders of the Company had approved re-appointment of Niraj Bajaj as Chairman and Managing Director, Rajesh V. Shah as Co-Chairman & Managing Director and Suketu V. Shah as Joint Managing Director for a period of 3 (three) years with effect from 5thJuly, 2017.

Further, extending their appointments, the Board of Directors of the Company at the meeting held on 27th June, 2020, subject to the approval of the Members, has re-appointed Niraj Bajaj as Chairman & Managing Director, Rajesh V. Shah as Co-Chairman & Managing Director and Suketu V. Shah as Joint Managing Director for a further period of 3 (three) years with effect from 5thJuly, 2020 to 4th July, 2023 on the terms and conditions including remuneration as recommended bythe Nomination and Remuneration Committee as set out herein.

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

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

1. Term of office :

Name	Designation	Period
Niraj Bajaj	Chairman & Managing Director	5th July, 2020 to 4th July, 2023
Rajesh V. Shah	Co-Chairman & Managing Director	5th July, 2020 to 4th July, 2023
Suketu V. Shah	Joint Managing Director	5th July, 2020 to 4th July, 2023

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

2. Remuneration:

(a) Salary

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

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

(b) Perquisites

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

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

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

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

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

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

vi. Reimbursement of servants' salary.

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

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

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

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

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

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

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

(c) Other Perquisites

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

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

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

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

MINIMUM REMUNERATION:

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

However, remuneration in excess of the limits prescribed in Schedule V to the Companies Act, 2013 as mentioned above may be paid, if the resolution passed by the shareholders is a special resolution. Therefore, approval of the Shareholders by special resolution is sought for payment of remuneration to Managing Directors w.e.f. 5th July, 2020 for a period of 3 years.

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

I. GENERAL INFORMATION:

a) 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.

b) 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.

c) Financial performance based on given indicators:

The financial performance of the Company as reflected by total income, Loss, earning per share and dividend recommended for the financial year ended 31st March, 2020 is as under:-

Total Revenue (Rs. in crore)	2,870.61
Loss after tax (Rs. in crore)	(195.57)
Earnings per share [in Rs.]	(13.83)
Rate of Dividend (Equity Share) [in Rs. per share]	NIL

d) Foreign investments or collaborations:

The Company has invested 5 ordinary shares of UAE Dirhams 1,000,000 each of Mukand International FZE, a wholly owned subsidiary of the Company, the aggregate equivalent of Rs. 6,25,24,000/-. The Company has entered intoa Master Agreement with Sumitomo Corporation, Japan and formed a JV Subsidiary viz. Mukand Sumi Metal Processing Limited. The Company has also signed Joint Venture Agreement with Sumitomo Corporation, Japan for carrying on alloy steel rolling and finishing business through a subsidiary company viz. Mukand Sumi Special Steel Limited.

<table>
<tr><th colspan="7">Information about the appointees</th></tr>
<tr><th>Nature of Information</th><th colspan="2">Niraj Bajaj</th><th colspan="2">Rajesh V. Shah</th><th colspan="2">Suketu V. Shah</th></tr>
<tr><td>Background details</td><td colspan="6">Details provided under ‘Profile of Directors’ annexed to notice of AGM.</td></tr>
<tr><td rowspan="6">Past remuneration</td><td colspan="6">The gross remuneration drawn by the appointees during the past 3 years is as under</td></tr>
<tr><td colspan="2">Niraj Bajaj</td><td colspan="2">Rajesh V. Shah</td><td colspan="2">Suketu V. Shah</td></tr>
<tr><td>Year</td><td>Rs. in cr.</td><td>Year</td><td>Rs. in cr.</td><td>Year</td><td>Rs. in cr.</td></tr>
<tr><td>2017-18</td><td>1.23</td><td>2017-18</td><td>1.23</td><td>2017-18</td><td>1.18</td></tr>
<tr><td>2018-19</td><td>1.31</td><td>2018-19</td><td>1.31</td><td>2018-19</td><td>1.29</td></tr>
<tr><td>2019-20</td><td>1.31</td><td>2019-20</td><td>1.31</td><td>2019-20</td><td>1.34</td></tr>
<tr><td>Recognition or awards</td><td colspan="6">Details provided under ‘Profile of Directors’ annexed to notice of AGM.</td></tr>
<tr><td>Job profile and suitability</td><td colspan="2">He is responsible for Strategic Planning, Direction, finance and Corporate Affairs. Sound knowledge of the steel industry, national & international finance & marketing and contemporary management techniques.</td><td colspan="2">He is responsible for Strategic Planning, Direction, Production & Marketing. Sound knowledge of the steel industry, national & international markets, business process re-engineering/ restructuring for diversification, expansion and new business forays.</td><td colspan="2">He is responsible for Strategic Planning, Direction & Overseeing the operations of Ginigera Steel Plant and implementation of projects. Sound knowledge of the steel industry, technical processes & new economy areas.</td></tr>
<tr><td>Remuneration proposed</td><td colspan="6">As mentioned above in the Explanatory Statement u/s. 102 of the Companies Act, 2013.</td></tr>
<tr><td>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person</td><td colspan="6">The remuneration proposed takes into consideration nature and size of business operations; the qualifications, experience and contribution of appointees to continued operations of the Company in difficult times; present trends and norms observed in the steel industry for payment of managerial remuneration by companies of comparable size and nature of business. The proposed remuneration is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.</td></tr>
<tr><td rowspan="2">Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</td><td colspan="6">Does not have any pecuniary relationship with the Company except for remuneration drawn as Managing Director / Joint Managing Director and as a shareholder to the extent of their respective shareholdings in the Company.</td></tr>
<tr><td colspan="6">Rajesh V. Shah and Suketu V. Shah are related to each other.</td></tr>
<tr><td colspan="7">Other information</td></tr>
<tr><td>Reasons of loss or inadequate profits</td><td colspan="6">Company had inadequate profits and / or has incurred losses in last few years mainly on account of adverse business conditions and higher finance costs. The computation prescribed under section 198 of the Companies Act, 2013 (the Act) reflects inadequacy of profits to pay remuneration to Managing Directors within the overall limits laid down under section 197 of the Act.</td></tr>
<tr><td>Steps taken or proposed to be taken for improvement</td><td colspan="6">The Company has taken series of strategic and operational measures that is expected to result in the improvement in the performance and operational and financial results of the Company.</td></tr>
<tr><td>Expected increase in productivity and profits in measurable terms.</td><td colspan="6">Total revenue of the Company for FY 2019-20 was Rs. 2,870.61 crore. Barring unforeseen circumstances and taking into consideration the prevalent Covid-19 pandemic, the total revenue is expected to be around Rs.2,700 crore in FY 2020-21 (without considering the effect of the amalgamation Scheme pending approval of NCLT). The margins too are expected to show improvement with anticipated reduction in operating costs and finance costs.</td></tr>
</table>

The draft agreements proposed to be entered between the Company and Niraj Bajaj, Rajesh V. Shah and Suketu V. Shah are available for inspection through electronic mode without any fee from the date of circulation of this Notice up to the date of e-AGM i.e. September 29, 2020, which shall remain open and be accessible to any member during the continuance of the meeting. Members seeking to inspect such documents can send their request at the email ID kjmallya@mukand.com.

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

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

Rajesh V. Shah and Suketu V. Shah are related to each other. Hence, they may be deemed to be concerned or interested in resolutions nos. 7 and 8.

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

This resolutions at nos. 6, 7 and 8 are being proposed as a special resolutions in view of the relevant provisions of Schedule V to the Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits and Regulation 17 (6) {e} of SEBI Listing regulations requiring a special resolution as the remuneration payable to executive directors who are promoters or members of the promoter group may exceed the limits prescribed for members approval.

The Board of Directors recommend the Resolutions at Item Nos. 6, 7 and 8 of the Notice for approval of the Members.

Item No. 9

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 FY: 2020-21, 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, 2020:-

Sr. No.	Description of Transaction	FY: 2020-21 Estimated Annual Value of Contracts & Services [Rs. in crore]	
(A)	**Sale of Goods & rendering of Services by the Company from MSMPL & MSSSL**	**MSMPL**	**MSSSL**
1.	Sale of black bars & roads and bright bars & roads	425.00	-
2.	Sale of cast billets, blooms, cogged billets bars/rounds, hot rolled bars and hot rolled wire rods& machineries manufactured by Industrial Machinery Division	-	1,325.00
3.	Sale of Capital Stores & Spares	-	3.50
4.	Job Work Income	95.00	250.00
5.	Rent of Factory/Office	0.80	-
6.	Fees/provision for other services	0.25	1.00
7.	Interest received	-	2.00
8.	Marketing Income	1.00	-
9.	Electricity Charges	0.25	-
	Total Income -A	**522.00**	**1,581.50**
(B)	**Purchase of Goods & receiving of Services by the Company**		
1.	Purchase of Scrap	40.00	25.00
2.	Job Work /Machinery Hire Charges	10.00	35.00
3.	Other Services	-	5.00
4.	Interest received on advance payments	-	2.00
5.	Prompt payment discounts	-	0.75
	Total Expenditure-B	**50.00**	**67.75**
(C)	**Total Transaction Value (A+B)**	**572.30**	**1649.25**

The other particulars of above transactions are as under:-

Sl. No.	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
1.	*Mukand Sumi Metal Processing Limited (MSMPL)	Rajesh V. Shah Co-Chairman & Managing Director	Director & Chairman of MSMPL*	Credit Period of 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*		
2.	*Mukand Sumi Special Steel Limited (MSSSL)	Rajesh V. Shah Co-Chairman & Managing Director	Director & Chairman of MSSSL*	Credit Period of 7 days	The transactions are in the ordinary course of business and at Arm's Length basis; A.M. Kulkarni & Rajesh V. Shah hold, 10 shares each in MSSSL jointly with the Company
		A. M. Kulkarni, Chief Executive Officer, (Steel Plant, Thane)	Director of MSSSL*		
		K. J. Mallya, Company Secretary	Company Secretary of MSSSL*		

* MSMPL and MSSSL are subsidiary companies of Mukand Ltd. with 51% equity shareholding as on 31st March, 2020.

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

In view the above, it is proposed to seek approval of the members of the Company through an Ordinary Resolution for the above transactions and the related parties are abstained from voting on the resolution.

None of the Directors or Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except as mentioned above to the extent of his/her respective shareholding, if any, in the Company, in the said resolution.

The Board recommends the Ordinary Resolution at Item no. 9 of the notice for approval by the members.

Item No. 10

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 members 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, in supersession of earlier resolution passed in this regard by Members at 81st AGM held on 8th August, 2019, general consent of the members is being sought for passing a Special Resolution as set out at Item No. 10 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.

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

The Board recommends the resolution at Item no. 10 of the notice for approval by members.

Item No. 11

Mukand Sumi Special Steel Limited ("**MSSSL**"), is an unlisted public company limited by shares, engaged in the rolling & finishing of alloy steel blooms / billets into bars & rods under an arrangement with the Company and marketing of alloy steel products. Currently, the Company holds 2,12,08,729 equity shares in MSSSL, representing 51% of its equity share capital & balance 49% of its equity share capital is owned by Sumitomo Corporation (Japan).

In order to deleverage its balance sheet by repaying debt and thereby improving its strength and profitability, the Company is contemplating to sale upto 51% equity shares of MSSSL held by it ("**Sale Shares**") to the Promoter Group Entity(ies) of the Company ("**Proposed Buyer**"), in one or more tranches, over a period of 12 months, subject to shareholder & other approvals, as may be required for a consideration of not less than INR 571.91 per share, aggregating to total consideration of not less than INR 1,212.95 crore ("**Proposed Transaction**").

The Company has recorded fair value of its investment in MSSSL as on 31st March, 2020 at INR 1,212.95 crore [INR 571.91 per share] complying with IND AS Guidelines.

MSSSL is not expected to give any dividend in foreseeable future due to its capex plans. Further the severe effect of COVID-19 on the economy and all businesses is undeniable. Accordingly, the current valuation of MSSSL is definitely expected to be lower in the eye of any buyer on arms' length principles. None the less, keeping in mind all relevant aspects, it is proposed that consideration for the Proposed Transaction shall not be less than the fair value as on 31st March, 2020 of INR 571.91 per share of MSSSL.

Such sale of shares will result in reduction of total outstanding debt and its related finance cost, thereby improving debt equity structure and paving way for optimal treasury management. The Proposed Transaction shall also improve the net worth of the Company.

The Proposed Transaction shall improve the overall profitability and is inter alia targeted to benefit all the stakeholders and beneficiaries of Mukand Limited. Mukand Limited, post the sale mentioned above, will continue to retain (i) ownership of its alloy steel manufacturing assets in Ginigera, Karnataka, & (ii) income derived from sale of its alloy steel products, manufactured in Ginigera, Karnataka, to the current processing and marketing joint venture, MSSSL.

The Board of Directors of the Company, at its meeting held on 31st August, 2020 has approved the sale of upto 51% equity shares in MSSSL to promoter group entity(ies) of the Company, subject to approval of the members, third party consents, statutory and regulatory approvals, as may be applicable.

In terms of Section 180 (1) (a) of the Act, the Board shall sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company only with the consent of the members by way of special resolution. Explanation (i) to Section 180(1) (a) of the Act provides that the expression “undertaking” shall mean an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year. Since the proposed sell/transfer of upto 51% equity shares to Promoter Group Entity(ies) of the Company exceeds the specified limits mentioned above, the Board of Directors seek members’ approval by way of a special resolution.

Pursuant to Section 108 and Section 110 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, consent of the members is required through general meeting/ e-voting.

None of the Directors/ Managers/ Key Managerial Personnel of the Company and their relatives is/ are, in any way, concerned or interested in the said resolutions, except to the extent of common directorships, and also to the extent of their respective shareholdings, if any, in each of the companies.

The Board of Directors is of the opinion that the aforesaid proposal is in the best interest of the Company and its stakeholders.

The Board of Directors, therefore, recommends the Resolution to be passed as a Special Resolution u/s 180(1)(a) of the Companies Act, 2013 by the members of the Company.

Item No. 12

The Proposed Transaction would be in the nature of a related party transaction under Section 188(1)(b) of the Act read with Rule 15(3)(a)(ii) of the Companies (Meetings of Board and its Powers) Rules, 2014, including circular, notification, clarifications thereto, as it involves selling or otherwise disposing of property of any kind to the Proposed Buyer, being Promoter Group Entity(ies) of the Company, which is a related party of the Company. Members of the Company are further requested to note that Section 188(1)(b) of the Act read with Rule 15(3)(a)(ii) of the Companies (Meetings of Board and Its Powers) Rules, 2014 (“**Rules**”) made thereunder, as amended and in force for the time being, requires that any transaction entered into between related parties for selling or otherwise disposing of, or buying property of any kind, where the amount involved exceeds 10% of the net worth of the company, is to be approved by the members of the company by way of passing an ordinary resolution.

Therefore, under the provisions of Section 188(1)(b) of the Act read with the applicable Rules thereunder, including notification, circular, clarification, etc. thereunder, since the proposed sell/transfer of upto 51% equity shares to Promoter Group Entity(ies) of the Company exceeds the specified limits mentioned above, the Proposed Transaction requires approval of members by way of an ordinary resolution.

The third proviso to Section 188(1) of the Act states that Section 188(1) of the Act shall not apply to any transaction entered into by a company in its ordinary business, on an arm's length basis. The Proposed Transaction could be construed as being outside the ordinary course of business, and therefore, approval of the members of the Company under Section 188 of the Act is being sought by way of an ordinary resolution.

In terms of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), all material related party transactions shall require approval of the shareholders through resolution. A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, with a related party exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Since the Proposed Transaction exceeds the specified limits mentioned above, the Proposed Transaction becomes a material related party transaction under the Listing Regulations and hence, requires the approval of the shareholders.

Therefore, considering the nature of the Proposed Transaction, the Board thought it fit to obtain the approval of the shareholders pursuant to Regulation 23(4) of the Listing Regulations, read with Section 188 of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 and as per the recommendation of the audit committee, the Board is, accordingly, proposing the resolution as set out under Item No. 12 in the accompanying notice for the approval of the members by way of passing an ordinary resolution.

None of the Directors/ Managers/ Key Managerial Personnel of the Company and their relatives is/ are, in any way, concerned or interested in the said resolutions, except to the extent of common directorships, and also to the extent of their respective shareholdings, if any, in each of the companies, if any.

The following disclosure for sale of property to Related Party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rule, 2014.

Sr. No.	Particulars	Remarks
1.	The name of the related party and the nature of relationship	Promoter Group Entity(ies) of the Company
2.	Name of the Director / KMP who is Related, if any, and nature of relationship	The Proposed Buyer shall be finalized in due course.
3.	Nature, material terms, monetary value and particulars of the contract or arrangements	The Company shall sell/transfer or otherwise dispose-off in one or more tranches, over a period of 12 months, upto 51% equity shares held by the Company in MSSSL, a Joint Venture of the Company, to the Promoter Group Entity(ies) of the Company, at a consideration of not less than INR 571.91 per share, aggregating to total consideration of not less than INR 1,212.95 Crs, with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company.
4.	Any other information relevant or important for the members to take a decision on the proposed resolution	All important information forms part of explanatory statement setting out the material facts pursuant to Section 102 and Section 110 of the Act which have been mentioned in the foregoing paragraphs.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the members of the Company.

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

Mumbai
August 31, 2020

K.J. MALLYA
Company Secretary

Annexure to the Notice

Brief profile of Directors seeking appointment/re-appointment at the Annual General Meeting

(Pursuant to SEBI (LODR) Regulations 2015 and Clause 1.2.5 of Secretarial Standard -2 on General Meetings)

Name of Director	Niraj Bajaj	Rajesh V. Shah	Suketu V. Shah
Current Designation	Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
DIN of Director	00028261	00021752	00033407
Nationality	Indian	Indian	Indian
First appointment on Board	3^{rd} July, 1989	3^{rd} July, 1989	3^{rd} July, 1989
Board meetings attended FY: 2020	4/4	4/4	4/4
Membership / Chairmanship of Committees in other public companies as on March 31, 2020.	Provided under Corporate Governance report section of Annual Report	Provided under Corporate Governance report section of Annual Report	Provided under Corporate Governance report section of Annual Report
Equity Shareholding in Mukand Ltd. as on March 31, 2020	1,17,86,730	72,02,007	45,381
Relationship between directors inter-se and other KMP of the Company	He is not related to any directors or key managerial personnel of the Company	He is not related to any directors or key managerial personnel of the Company, except Shri Suketu V. Shah	He is not related to any directors or key managerial personnel of the Company, except Shri Rajesh V. Shah
Terms and conditions of appointment/ reappointment with details of remuneration last drawn	Provided under Item no. 6 of Explanatory statement	Provided under Item no. 7 of Explanatory statement	Provided under Item no. 8 of Explanatory statement
Brief profile (Qualification/Expertise/ experience including expertise in specific functional areas, awards and recognitions etc. if any,)	Shri Niraj Bajaj, aged 65 years, did his B.Com. from Sydenham College of Commerce & Economics, Mumbai and has completed his Masters in Business Administration (MBA) from Harvard Business School, Boston, U.S.A. Shri Niraj Bajaj is one of the promoter of Bajaj Group. He was the President of the Indian Merchants' Chamber, a decade ago, when it was celebrating its Centenary year. He was selected by World Economic Forum, as one of the "Global Leaders for Tomorrow", in 1993. He was also President of The Alloy Steel Producer's Association of India and Indian Stainless Steel Development Association. He has over 38 years of Industry experience. He represented India in table tennis for 7 years between 1970-77, of which last 4 years was as the Captain. He has been 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 Maharashtra Gaurav Puraskar Award. He is Chairman and Managing Director of Mukand Limited, and Non Executive Chairman of Bajaj Holdings and Investment Ltd. He also serve on the Board of Bajaj Auto Limited, Bajaj Allianz Life Insurance Co. Ltd, Bajaj Allianz General Insurance Co. Ltd and various other Bajaj group companies.		
Brief profile (Qualification/Expertise/ experience including expertise in specific functional areas, awards and recognitions etc. if any,)	Shri Rajesh V. Shah, aged 68 years, did his M.A. in Mathematics from Cambridge University, U. K. and an MBA from University of California at Berkeley,U.S.A, and has done Programme for Management Development at Harvard Business School, USA. He has over 42 years of industry experience. He joined the services of the Company in 1977 as Sales Manager (Rolled products) and since then held a number of senior leadership roles including Chief Marketing Manager, Deputy Chief Executive, Chief Executive and Executive Director. He was appointed Managing Director of the Company on 10th August, 1994, as Vice Chairman & Managing Director on 22nd May,2007 and as Co-Chairman & Managing Director w.e.f. July 14, 2007. He is a Member of the Board of Indian Institute of Corporate Affairs. He is also a member of India - Japan Business Leaders' Forum. He was elected as president of Confederation of Indian Industries (CII-1998-99). He was International Board Member, Young Presidents' Organization (YPO) (1996-97) and the Chairman of YPO International Conference (University), Bombay (1996). He was also Chairman of Board of Governors, National Institute of Fashion Technology (2017-2019). He has served on the Board of Ranbaxy Laboratories Ltd, Oil and Natural Gas Corporation Ltd (ONGC), Hindustan Petroleum Corporation Ltd (HPCL), and was invited to join the Board of Directors, State Bank of India, Central Board.		

	Shri Suketu V. Shah, aged 65 years, did his B.Com (Hons.) from Sydenham College of Commerce & Economics, Mumbai, and has a master's degree in Business Administration (MBA) from the prestigious Harvard Business School, Boston,U.S.A.. He has been conferred an Honorary Doctorate (i.e. Doctor of Humane Letters) by the Board of Trustees of Goodwin College, Connecticut, USA. He joined the Company in the year 1984 as Senior Manager and since then been promoted /assigned various key roles in the Company, including General Manager (Commercial), Senior Vice-President before he was appointed as Sr. Vice President & Director of the Company on July 3, 1989 and President & Director of the Company on August 10, 1994. Later, he was promoted /designated as the Joint Managing Director of the Company w.e.f. July 14, 2007. He has extensive business experience in various corporate matters of the Company and has successfully led numerous projects. He is responsible for providing strategic planning and direction for corporate affairs of the Company, and of overseeing the operation of the Ginigera Steel Plant of the Company. He is the Chairman of The Alloy Steel Producers Associations of India. He was Chairman of Confederation of Indian Industry (CII), Western Region, the apex industry association in India and is now on the National Council of CII. He was also Chairman of Young Presidents' Organization (YPO), Mumbai Chapter. He is a member of Executive committee of Federation of Indian Chamber of Commerce and Industry and a member of Harvard Business School Association of India & Bombay Cricket Association.
List of Directorships as on 31.03.2020	Niraj Bajaj:- 1) Bajaj Auto Ltd., 2) Bajaj Holdings & Investment Ltd., 3) Mukand Engineers Limited, 4) Bajaj Allianz General Insurance Company Limited, 5) Bajaj Allianz Life Insurance Company Limited, 6) Bachhraj and Company Private Limited, 7) Jeewan Limited, 8) Bajaj Sevashram Pvt. Ltd, 9) Baroda Industries Pvt. Ltd., 10) Jamnalal Sons Pvt. Ltd., 11) Niraj Holdings Pvt. Ltd, 12) Kamalnayan Investment and Trading Pvt. Ltd., 13) Sanraj Nayan Investments Pvt. Ltd., 14) IMC Chamber of Commerce And Industry, 15) Foundation For Promotion of Sports and Games, 16) Mahakalpa Arogya Pratisthan, 17) Bhoopati Shikshan Pratisthan
	Rajesh V. Shah:- 1) Amar Jyoti Agro Co Pvt. Ltd., 2) Amivir Agro Co Pvt. Ltd., 3) Sunnydays Agro Company Private Limited, 4) Anant Jeewan Agro Co Pvt. Ltd., 5) Rajpriya Agro Co. Pvt. Ltd., 6) Kulpi Port Holding Private Limited, 7) Kalyani Mukand Limited, 8) Mukand Sumi Metal Processing Limited, 9) Mukand Sumi Special Steel Limited, 10) Bengal Port Private Limited, 11) Eastern Gateway Terminals Private Limited, 12) Jeewan Limited, 13) Jyoti Shah Premises and Investments Pvt. Ltd., 14) KVS Energy & Sports Private Limited, 15)Mukand Engineers Limited, 16) Rajvi Engineering and Investments Pvt. Ltd., 17) Akhil Investments & Trades Pvt. Ltd., 18) Kshitij Holdings and Engineering Pvt. Ltd.
	Suketu V. Shah:- 1) Shahvir Agro Private Limited, 2) Adonis Laboratories Private Limited, 3) THe Alloy Steel Producers Association Of India, 4) JLS Realty Private Limited, 5) Akshay Developers (Sion) Private Limited, 6) Jeewan Limited, 7) Jyoti Shah Premises and Investments Pvtltd, 8) Rajvi Engineering And Investments Pvt Ltd, 9) Akhil Investments & Trades Private Limited, 10) Kshitij Holdings and Engineering Pvt Ltd, 11) Hospet Steels Limited, 12) W P Organisation (Mumbai Chapter).

Directors' Report

1. The Directors present the 82nd Annual Report along with the audited Financial Statements of the Company for the year ended March 31, 2020.

2. **Financial Results:**

Standalone Financial Highlights:

(Rupees in crore)

Description	Financial year 2019-20	Financial year 2018-19
Total Revenue	**2,870.61**	3,666.98
Earnings before Interest, Depreciation and Tax	**125.12**	179.39
Interest (net) and Depreciation*	**379.72**	311.72
Profit / (Loss) before tax	**(254.60)**	(132.33)
Current Tax / Deferred Tax Credit / (charge) (net)	**82.52**	48.22
Profit/(Loss) for the year before tax adjustments pertaining to earlier years.	**(172.08)**	(84.11)
Reversal of Deferred Tax credit taken in earlier years due to lapsing of business loss	**(23.49)**	-
Profit/(Loss) for the year	**(195.57)**	(84.11)
Other Comprehensive Income (net)	**2.25**	3.50
Total Comprehensive Income	**(193.32)**	(80.61)
Earnings per Share (in Rupees)	**(13.83)**	(5.95)

* Refer Note No. 41(III) of the Financial Statements.

3. **Financial Performance and the State of Company's affairs:**

3.1 The total revenue for the year is lower at Rs.2,870.61 crore as compared to Rs. 3,666.98 crore in the previous year. This is on account of subdued demand for steel products from auto sector and lack of demand for capital goods. The export performance during the year was also affected in view of sluggish international market conditions coupled with stiff competition in the said market. Loss after Tax for the year is higher at Rs. 172.08 crore as against loss after tax of Rs. 84.11 crore in the previous year due to reduced revenue for the year and increased interest costs resulting from holding higher level of inventories.

3.2 Report on COVID-19 Pandemic:

In March 2020, the WHO declared COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March 2020, the Government of India declared this pandemic a health emergency and ordered temporary closure of all non-essential business, imposed restrictions on movement of goods/material, travel, etc. This outbreak is causing significant disturbances and slowdown of economic activity worldwide and economic slowdown may have its eventual impact on the Company. The Company suspended production at its plants situated at Dighe, Thane in the state of Maharashtra and Ginigera, Koppal in the state of Karnataka with effect from last week of March 2020 till first week of May 2020. Post relaxation of lock down by the Government, both the plants have become partially operational as per guidelines of the Government.

Management has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and has concluded that there are no material impact or adjustments required in the standalone financial statements. The stress on liquidity position has been partially mitigated by the relief given by the Government, RBI, Electricity Distribution Companies, etc.

Management has assessed likely impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the standalone financial statements. Management expects that considering the nature of its business operations, existing customer and supplier relationships, impact on its business operations, if any, arising from COVID-19 pandemic may not be significant in the long run and would be able to recover carrying amount of all its assets as appearing in the financial statements. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results. The Management will continue to monitor any material changes to future economic conditions.

4. **Dividend & Transfer to reserves:**

The Directors have not recommended any dividend on account of the loss for the year under report. No amount has been transferred to the reserves.

5. **Amalgamation of Group Companies:**

Petitions filed with NCLT for Scheme of amalgamation between Adore Traders and Realtors Private Limited, a wholly owned subsidiary of Mukand Global Finance Limited (MGFL) with the parent company MGFL, followed by the amalgamation of MGFL and Mukand Engineers Limited (MEL) with the Company are yet to be approved by NCLT. The Scheme shall be effective from the appointed date 1st April,2019 on receipt of NCLT order and filing the same with Registrar of Companies and therefore the above results do not include effect of amalgamation of these Companies with the Company.

6. **Joint Ventures:**

6.1 Mukand Sumi Special Steel Limited (MSSSL)

6.1.1 MSSSL is a Joint Venture with Sumitomo Corporation (SC), Japan in the Business of manufacturing and marketing Alloy Steel bars and rods. During the year under review, the total revenue was Rs. 1,412.91 crore and the Loss before tax was Rs. 104.17 crore.

6.2 Mukand Sumi Metal Processing Limited (MSMPL)

6.2.1 MSMPL is also a Joint Venture with SC in the business of manufacturing and marketing cold finished bright bars and wires. During the year under review, total revenue was Rs. 704.47 crore and the Loss before tax stood at Rs. 27.79 crore.

6.2.2 During the month of March 2020, Company divested 9.07% of equity Share capital held by it in Mukand Sumi Metal Processing Ltd., (MSMPL) to its Joint Venture partner Sumitomo Corporation, Japan. Company now holds 51% in the equity capital of MSMPL. The results of the year of the Company include loss of Rs.8.34 Crore being the difference between sales consideration and the fair value as at 31st March,2019.

6.3 The Board of Directors of MSMPL and MSSSL have approved demerger of alloy steel business of MSMPL into MSSSL as a going concern pursuant to a proposed Scheme of Arrangement amongst MSMPL, MSSSL and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 subject to receipt of applicable regulatory approvals. The Appointed Date under the Scheme is 1st April 2020.

7. **Finance:**

7.1 Share Capital:

The paid-up equity share capital as on March 31, 2020 was Rs. 141.41 crore. During the year under review there was no change in the Equity share Capital of the Company.

During the year, Company issued 56,26,320 8% Cumulative Redeemable Preference Shares (CRPS) of Rs.10 each by private placement to Promoter Group entities. The purpose of the issue was to fund the redemption of 56,26,320 0.01% CRPS. Authorized share capital was accordingly re-classified by altering the Memorandum of Association of the Company. The first instalment of redemption of CRPS of Rs.2/- per share aggregating Rs.1.13 Crore due in September 2019 was paid by a call of Rs. 2 each in the aforesaid issue.

7.2 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. Management expects to recover carrying amount of all its assets as appearing in the financial statements as at 31st March 2020.

7.3 Fixed Deposits:

Company re-paid (including transfer to IEPF) an amount of Rs. 67.69 crore in accordance to the Companies (Acceptance of Deposits) Rules 2014. The matured & unclaimed deposits as at the end of the year were Rs. 1.15 crore. There has been no default in repayment of deposits or payment of interest during the year. There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

8. Corporate Social Responsibility (CSR):

8.1 The composition of CSR Committee of the Board of Directors as well as report on CSR activities carried out by the Company, Joint Venture Companies and by the Bajaj Group is enclosed as part of this report as – **Annexure-1.**

9. 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) are given in the annexures to this Report.

9.1 Management Discussion and Analysis:

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

9.2 Business Responsibility Report

As required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015), Business Responsibility Report is enclosed as a part of this report as – **Annexure-3.**

9.3 Corporate Governance Report:

9.3.1 The Company has complied with the Corporate Governance requirements under the Act and SEBI Listing Regulations.

9.3.2 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 enclosed as a part of this report as – **Annexure-4.**

9.3.3 During the year under review, 4 Meetings of the Board of Directors of the Company were convened and held. Detailed information on the meetings of the Board and its various Committees are included in Corporate Governance Report forming part of this report.

9.4 Extract of Annual Return:

Extract of annual return as at March 31, 2020 in the prescribed format under the Companies Act, 2013 (MGT-9) is enclosed as part of this report as – **Annexure-5** and is also available on the website of the Company and same can be accessed at https://www.mukand.com.

9.5 Directors' Responsibility Statement:

Pursuant to Section 134 (3)(c) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures;

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 at March 31, 2020, and of the loss of the Company for the year ended March 31, 2020.

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.

9.6 Statement on declaration given by Independent Directors:

The Company has received necessary declarations/confirmation from each Independent Director under Section 149(6) and 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI LODR Regulations 2015 that they meet the criteria of independence laid down thereunder.

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

Company's policies on i) Director's 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-6.**

9.8 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.

9.9 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 2019-20, pursuant to Section 177 of the Companies Act, 2013 and Regulation 23 of SEBI LODR 2015, all RPTs were placed before Audit Committee for its prior / omnibus approval. The requisite disclosure in Form AOC-2 is furnished in **Annexure-7.**

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

9.10 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-8.**

9.11 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 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-9.**

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with the relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website, www.mukand.com.

9.12 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.

9.13 Details of Directors or KMP who are appointed/re-appointed or have resigned/retired (including by rotation) during the year:

Directors liable to retire by rotation: Shri Niraj Bajaj retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The members are requested to consider and approve his re-appointment.

Re-appointment: Shri Prakash V. Mehta, Shri Amit Yadav and Mrs. Bharti R. Gandhi were re-appointed on August 8, 2019 as Independent Directors for a second term of 5 years.

Appointment: Shri Sankaran Radhakrishnan (DIN: 00381139) was appointed as an Additional Director (Independent) by the Board of Directors effective from May 20, 2019. His appointment as an Independent Director for a term of 5 years was approved by Members on August 8, 2019.

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

Changes in Key Managerial Personnel:

There was no change during the year under report with respect to Key Managerial Personnel.

9.14 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 Board Committees viz. Audit committee, Nomination & Remuneration committee, Stakeholders' Relationship committee. For further information with regard to manner in which evaluation was carried out etc., refer Performance Evaluation section of Corporate Governance Report attached to this report.

The Independent Directors of the Company met separately on 12th February 2020 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.

Requisite number of Independent Directors were present at the Meeting and discussed the above and expressed their satisfaction.

9.15 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 of 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.

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

The information required under Section 197 of the Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished in **Annexure-10.**

9.17 Safety, Health and Environment:

The Company pays utmost importance towards safety and health of its 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, National Safety Week and Environment Day were observed by reminding the employees through campaigns on its crucial significance in today's world. 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.

9.18 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.

9.19 Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the year under review, two complaints were received by the Committee formed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and appropriate action was taken.

10. Auditors :

10.1 As Messrs Haribhakti & Co. LLP, Chartered Accountants, Mumbai, (Firm Registration No.103523W) retire after being Company's Statutory Auditors for a period of 10 consecutive years, your Board proposes to appoint Messrs DHC & Co., as Statutory Auditors of the Company for conducting audit of financial statements for a period of 5 years commencing from FY 2020-21. Messrs DHC & Co., are eligible for the said appointment for Financial Year 2020-21 and have furnished necessary certificate of their eligibility and consent to act as the Auditors of the Company. Accordingly, a resolution seeking appointment of DHC & Co., as Statutory Auditors is provided at item no. 3 of the notice of the ensuing AGM.

10.2 Based on recommendation of the Audit Committee, Board has appointed Y R Doshi & Co., as Cost Auditors of the Company for the financial year 2020-21.

10.3 Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board has appointed Anant Khamankar of M/s. Anant B. Khamankar & Co. (Membership No. FCS: 3198), Practising Company Secretary, to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2020. Secretarial Audit report is enclosed to this report as **Annexure-11.**

11. Auditors' Report:

The observations made in the Statutory 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. Secretarial Auditors' report does not contain any qualification, reservations, adverse remark or disclaimer.

12. Confirmation of Compliance of Secretarial Standards:

The Company has complied with applicable Secretarial Standards during the year under review.

13. 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: 00021752

Mumbai, June 27, 2020

Report on CSR Activities

Company has constituted a CSR Committee of the Board of Directors pursuant to Section 135 of the Companies Act, 2013. As on March 31, 2020, the Committee comprised of Shri Niraj Bajaj, Shri Rajesh V. Shah, Shri Suketu V. Shah and Smt Bharti R. Gandhi. During the year under review there was change in the composition of the Committee, Smt. Bharti R. Gandhi, Independent director, has been inducted as member of the Committee w.e.f. 2nd May, 2020, and Shri Dhirajlal S. Mehta, ceased as member of the committee on his retirement from the Board. 1 (one) meeting of committee was held on May 20, 2019 which was attended by all the members of the Committee. 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 as calculated in accordance with Sections 135 and 198 of the Companies Act, 2013 during the three immediate preceding financial years. However, the Company has carried out the following activities voluntarily under CSR.

At Steel Plant, Ginigera:

The Company sponsored Independence Day celebrations at the local school and also distributed notebooks and prizes to the students. Cricket tournaments were organized amongst various High Schools in the region and various schools participated in the same. It also sponsored various sports events and contributed towards Teachers' honorarium. The Company also participated and encouraged local festivals/cultural activities. To protect environment, it contributed towards main canal work and for shifting of waste material.

At Steel Plant, Dighe, Thane:

The Company received financial support from Janakidevi Bajaj Gram Vikas Sanstha (JBGVS) for all its CSR activities in the 43 high schools in Shahapur Taluka of Thane district. During the year, 10,000 students studying in classes 8, 9 and 10 across these 43 schools were provided notebooks, uniforms and school bags. The students were also given a midday snack on three days a week throughout the academic year. The Company held and managed free math classes in 21 of these schools for the students in classes 8 and 9. Two school buildings were repaired during the year and a 2 kilometre road race was organised by the Company in Shahapur and more than 750 students from the 43 schools participated in this race.

By the Mukand's Joint Venture company:

MSMPL provided supplementary nutrition snack in Government Schools in Shahapur Taluka in Thane District in partnership with Association for Nutrition and Development Action (ANNADA). It also contributed towards Community Development in Maharashtra with special focus on Child Education, Health Hygiene and Sustainable Livelihoods for Women in association of APNALAYA.

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 of the Group also gives annual 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.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, June 27, 2020

Management Discussion & Analysis

Annexure to the Directors' Report Annexure-2

The Global Economy

The year that was, has been eclipsed by the economic and social devastation brought about by the Covid-19 pandemic not just to India but the world. This pandemic has also exhibited how deeply interlinked the world is and that it may no longer be possible to be totally insulated.

It is also known that no country can be totally insulated from the effects of an economic slowdown, recession or growth across the globe. The Global GDP growth in the calendar year 2019 was at 2.9% while in the previous calendar year it was 3.6%.

According to a World bank report the "Covid-19 pandemic has, with alarming speed, delivered a global economic shock of enormous magnitude, leading to steep recessions in many countries".

However, this report is for the period April 2019-March 2020, bulk of the period which was before the virus spread to such destructive levels.

The Indian Economy

The national shutdown due to the spread of Covid-19 virus was from March 25, 2020, which was a week away from the end of the financial year 2019-20. India's GDP growth had already dipped to an 11 year low at 4.2% in the financial year 2019-20, mainly on account of the manufacturing and construction sectors.

According to the World Bank, in India, activity was constrained by insufficient credit availability and subdued private consumption. These two issues affected the manufacturing sector in a big way. The Indian manufacturing sector grew by a mere 0.03% in FY 2019-20 compared to 5.7% in the previous year speaks volumes in itself.

The auto industry being part of the manufacturing sector was severely hit by the liquidity crisis and lack of financing. Another issue, unique to the auto industry, was the April 2020 deadline set by the Government of India for all new 4 and 2 wheelers to be BS VI compliant. This required manufacturers to curtail production and upgrade existing facilities to ensure BS VI compliance which resulted in a drop of 18% in total automobile sales in the year under report. However, in the last quarter of the year under report, the industry did show signs of revival with the increase in production of BS VI compliant vehicles.

2019, also witnessed India becoming the world's second largest steel producer surpassing Japan with a crude steel production of 111.2 million tonnes. The government has big plans for the steel industry and continues to work on various fronts to make the steel sector globally efficient and competitive. As per the Indian Steel Association (ISA), steel demand was expected to grow over 7.2% in FY 20 and 21.

The Company

The Turnover of the Company for the Financial year 2019-20 stood at Rs. 2,797.51 crore as against Rs. 3,547.98 crore of the previous year. The loss for the year under report was Rs 172.08 crore as against Rs. 84.11 crore of the previous year.

The revenue of the Steel division stood at Rs. 2,693.36 crore for the FY 2019-20 as against Rs. 3,415.24 crore of the previous year while the Industrial Machinery Division recorded revenues of Rs. 104.15 crore as against Rs. 132.74 crore of the previous year.

Significant changes in key financial ratios as compared to the previous year

The operating profit margin is 1.11% as compared to 2.55% in the previous year. Net profit /(loss) margin is at (6.14%) as against (2.75%) for the previous year. Interest coverage ratio is at 0.39 as compared to 0.61 in the previous year.

The operating profit and net profit /(loss) margins have reduced for the year under report due to a lower turnover. The interest coverage ratio is also lower on account of higher interest costs resulting from higher inventories.

For computation of these ratios, the net gains on fair value of equity investments have not been considered being of non-operating nature. The operating profit margin is calculated taking all the expenses except interest costs.

The inventory turnover ratio is at 2.04 as against 2.79 for the previous year due to subdued demand for Company's products. As regards debt equity ratio, it is to be noted that to calculate this ratio, both the numerator and denominator need to be positive. As the denominator is in the negative, it is not possible to calculate this ratio for the year under report. The same was at 21.35 : 1 for the previous year.

In the year in running, at the Thane premises, the company proposes to complete the project to relocate within the premises the 100 KV transformer, weigh bridges and other facilities to free up the surplus land. At the Ginigera facility, the company hopes to complete the underpass across the National Highway that cuts across the plot to facilitate movement of goods within the company. Other capex programmes to be completed in the year in running are implementation of SAP S/4 HANA ERP systems for the stainless steel division, at Thane replacing the existing H2 analyser, LRF regulation, constructing a 100 KL overhead water tank and construction of a closed Bay and large open yard for the Industrial Machinery division in the Thane premises.

The Steel Division

The company produces Alloy steel from its facility in Ginigera, Karnataka and Stainless Steel from its facility in Thane, Maharashtra. The year under report saw a decline in the production of the total finished rolled products of alloy steel by 24.32% at 1,77,447 MT and that of stainless steel finished rolled products by 4.45% at 89,774 MT. The adverse market conditions had forced the company to shut down furnaces in the Ginigera plant for a certain period between August – November 2019.

Prices of raw materials such as domestic iron ore lumps and fines, metallurgical coke and coking coal, furnace oil, ferro crome etc were mainly stable in the year under report. However prices of Nickel, which is imported, was at USD 12,900/- MT in April 2019 peaked to USD 18,050/- MT in September 2019 and then fell to USD 14,160/- MT by the end of December 2019 causing a lot of disruption.

The continued weakening of the rupee against the dollar further adversely affected the financials of the company. In April 2019, the rupee traded at Rs. 69.12 per USD but weakened further to Rs. 75.20 per USD in March 2020.

At the Thane facility the company continued implementing cost reduction measures during the year. Measures taken to reduce power consumption included modifying the design of the condenser cooling system for water circulation thereby conserving energy, installing energy efficient pumps at the Ultra High Power furnace pump house and in the wire rod and bar mills.

At the Ginigera facility, the company took similar measures to reduce electrical energy by introducing energy efficient pumps for the mould and spray cooling in the caster, installing VFD in sinter cooler motor for adjusting the speed, and installing VFD in the secondary mixing drum.

Product development has been one of the strengths of the company. In the year under report, the company developed Ni-Cr-Mo stainless steel with improved corrosion resistance for seamless tube applications, case carburizing steel with higher hardenability for application in new generation hybrid passenger vehicles which is an import substitution. The company further developed alloy steel wires for taper roller bearings for specific railway application.

The Industrial Machinery Division

The year under report began well for the business for capital equipment being manufactured by the Industrial Machinery Division of the company with orders coming in for EOT cranes, mainly from private sector steel units and shipyard cranes of different capacities from Naval Dockyards in Mumbai and Visakhapatnam. The Division also booked a number of orders from Mukand Sumi Special Steels Ltd for EOT cranes and rolling mill equipment for their upcoming project at Ginigera.

As on April 1, 2020 the division held an order book worth Rs. 176 crore. The division witnessed an increase in the number of tenders in the market for Port Cranes which are likely to be finalized in the 3rd and 4th quarters of the year in progress.

Some of the significant achievements during the year are –

- Supply of cranes for Integrated Steel Mills in Bangladesh.
- ELL cranes for Dockyards in Mumbai and Visakhapatnam were completed. The crane in Mumbai has been handed over but in Visakhapatnam, the cranes were in the final stages of completion when the lockdown was called and work came to a stand still.
- Bulk of the supplies of EOT cranes to two large steel plants in the country were completed.
- ELL cranes for Goa Shipyard were completed and handed over.
- Work at a steel company in Oman is near completion.

The TPM activities

The company was one of the first steel plants to be ISO certified in the country. In the year under report, the steel plant underwent surveillance audits by BVC and was recommended for continuation of certification for IATF: 16949:2016; ISO 9001:2015; ISO 14001:2015. For export of stainless steel products to Europe, the company has successfully undergone surveillance audits for AD 2000 and pressure equipment directive 2014/68/EU. At the Ginigera facility, the company successfully renewed IS 1875 certification from BIS and completed its first surveillance audit for IATF 16949. The Industrial Machinery Division successfully completed the recertification audit for ISO9001-2015

The company's Thane quality circle won the Gold Award at the Mumbai Chapter of QCFI under CCQC-2019. This team was also awarded an Excellence certificate at the national level competition in Varanasi in December 2019. They also participated in the "Equipment/Process Model" competition and received Best Model Award in the top 20 category.

The National Accreditation Board for Testing & Calibration Laboratories (NABL) assessed the Company's Thane chemical lab and successfully cleared the transition audit to revised standard ISO /IEC 17025:2017. The Mechanical Test Labs in the steel plant at Thane have cleared the surveillance audit under ISO/IEC 17025:2005 Laboratory Quality Management System. The Ginigera facility was awarded the silver category for 2019-20 for the National Award for Manufacturing Competitiveness by the International Research Institute for Manufacturing.

The Human Resources

The overall Industrial Relations remained cordial during the year under report. The Company has 1,628 permanent employees on its roll as on 31.03.2020 as against 1,718 as on 31.03.2019.

8,974 employees have received Long Service Awards for being part of the company for 20 and more years since this award was incepted in 1973. This is probably a validation of the company's efforts to ensure job satisfaction and a happy environment. The company continues to maintain an attrition rate below the industry average.

People development continues to be a key focus area at Mukand Ltd. The Company is committed to building the competencies of its employees and improving their performance through continuous Training and Development. Some of the regular training programmes conducted included Safety, Creating Organizational Excellence, Team Building, Discipline at Work, Gender Sensitization.

Manpower rationalization effort continued throughout the year by following policy initiatives like no automatic replacement of retiring employees, sharing of additional responsibilities, redeployment of employees by lateral transfers and training of employees in various functional skill sets.

The Company places on record its appreciation of the dedication and commitment of the employees at all levels.

On behalf of the Board of Directors,

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

Mumbai, June 27, 2020

Annexure to the Directors' Report — Annexure-3

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

	Disclosure item	Response
1	Corporate Identity Number (CIN) of the Company	L99999MH1937PLC002726
2	Name of the Company	Mukand Limited
3	Registered address	3rd Floor, Bajaj Bhawan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021
4	Website	www.mukand.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	1) Manufacture of Alloy Steel bars, Rods, Structurals, Rails ((NIC Code: 27151) 2) Manufacture of Stainless Steel bars, Rods, Structurals, Rails (NIC Code: 27153) 3) Manufacture of EOT Cranes, Material Handling Equipments and other Industrial Machinery and comprehensive engineering services.
8	List three key products/ services that the Company manufactures / provides (as in balance sheet)	1. Special and Alloy steel long products 2. Stainless Steel long products 3. Industrial Machinery
9	i. Number of International Locations (Provide details of major 5)	Major International Operations: 1. Dubai – The Company has a Wholly owned subsidiary registered in Jebal Ali Free Zone at Dubai from where it carries on it's business of trading in the Steel finished products and input materials. 2. There is no other location of the Company's international operations.
	ii. Number of National Locations	**Mukand Limited** 1. Kalwe (Mumbai) 2. Ginigera(Karnataka) **Subsidiaries:** 1. Mukand Sumi Special Steel Ltd. Kalwe (Mumbai), Ginigera (Karnataka) 2. Mukand Sumi Metal Processing Ltd. (Kalwe-Mumbai)
10	Markets served by the Company - Local / State / National / International	National – Primarily North, West and South zones International – Latin America, European countries, Middle Eastern Countries, South Asian Countries, etc

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Equity Capital - (INR): - 141.42 Crore
2. Total Turnover (INR): - 2870.61 Crore
3. Total profit/(loss) after taxes (INR): (195.57) Crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profitafter tax (%): - Not Applicable.
5. List of activities in which expenditure in 4 above has been incurred:-

   Not Applicable

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

   List of Indian Subsidiaries: -

   1. Mukand Global Finance Ltd.
   2. Vidyavihar Containers Ltd.
   3 Mukand Sumi Special Steel Ltd.
   4. Mukand Sumi Metal Processing Ltd.
   5. Adore Traders and Realtors Pvt Ltd.

   List of Foreign Subsidiaries: -

   Mukand International FZE

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of theparent company? If yes, then indicate the number of such subsidiary company(s)

   Yes.

   Mukand Sumi Metal Processing Ltd and Mukand Sumi Special Steel Ltd participate in the BR initiatives of the parent Company

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than60%].

   No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

   (a) Details of the Director/Directors responsible for implementation of the BRpolicy/policies

   1. DIN Number: - 00028261
   2. Name: - Shri Niraj Bajaj
   3. Designation: -Chairman & Managing Director
   1. DIN Number: - 00021752
   2. Name: - Shri Rajesh V. Shah
   3. Designation: - Co-Chairman & Managing Director
   1. DIN Number: - 00033407
   2. Name: - Shri Suketu V. Shah
   3. Designation: - Joint Managing Director

   (b) Details of the BR head:

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Shri A.M. Kulkarni
3	Designation	CEO-Steel Plant Kalwe
4	Telephone number	022-21727588
5	e-mail id	amkulkarni@mukand.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

(a) **Details of compliance (Reply in Y/N)**

Sr. no.	Disclosure item	Response								
	Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have a policy / policies for:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policy is based on and is in conformity with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs.								
4	Has the policy been approved by the Board?	Few Statutory policies viz., CSR &Whistle Blower policy are approved by the Board and other policies are formulated and implemented as per the local laws and regulations.								
	If yes, has it been signed by MD / owner / CEO / appropriate Board Director?									
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes, BRR Committee is responsible to oversee the implementation of policy and performance.								
6	Indicate the link for the policy to be viewed online?	The policies are available for employees to view on the Company's intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Currently, the policy has been uploaded on the Company's website and is communicated through the Business Responsibility Report as well as Annual Report since 2020. However, it is proposed to formally communicate the policy to all relevant internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy / policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Yes, while institutional shareholders can write to uvjoshi@mukand.com, non-institutional shareholders can write to kjmallya@mukand.com about their queries and concerns.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company has various kinds of audits like Internal Audit, Compliance Audit which are independent and cover specific policies.								
2b	If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)									
	Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	The company has not understood the principle	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. **Governance related to BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year

The CEO to assess BR performance of the Company within 3-6 months every year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The requirements of business Responsibility Report are outlined in company's Annual Report for FY 2019-20. This report is available on company's website.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics,bribery and corruption cover only the company?

Yes. These policies are reflected in the 'Code of Conduct', 'Code of Ethics' and 'Whistle Blower Policy' adopted by the Company.

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

Even though these codes and policies are applicable to the directors and employees of the Company and its subsidiaries, the underlying principles are communicated to the vendors, suppliers, distributors and other key business associates of the Company.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The details of investor complaints received from shareholders during the year have been disclosed in the Corporate Governance Report annexed to the Board's Report. Except for 2 complaints relating to sexual harassment matters which have been satisfactorily resolved, there have been no complaints from other stakeholders during the year.

Principle 2: PRODUCTS AND SERVICES DESIGNED WITH ENVIRONMENTAL AND SOCIAL OPPORTUNITIES

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- First in India to install Fume extraction and dedusting system for Ultra High power furnace and converter which ensures dust and pollution free emissions from the Steel melt shop

- Use of 60 % of total annual electrical consumption through renewable wind power.
- Minimise the use of process water by having closed circuits throughout the plant , so that only make up water is used.
- Water recycling plant – reuse of waste water for process.(300 Cum /day)
- Recuperators in all the reheating furnaces of mills – reuse of heat of flue gases to save energy .
- Capacitor banks to ensure unity power factor (minimize the transmission losses in electrical system)

2. For each such product, provide the following details in respect of resource use (energy, water,raw material etc.) percentage it of product (optional):

i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the valuechain?

- Higher quantum of Wind energy sourced in FY 20.
- Use of cleaner PNG as fuel in reheating furnaces to eliminate Furnace oil planned.
- Installation of secondary emission control system in Steel Melt Shop planned.

ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- 8 % reduction in Water consumption in FY 20 over FY 19;
- Distribution reduction is not Applicable, since the company is only into power generation based on waste gases for self consumption.

ii) Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%,5- 10%, >10%). Also, provide details thereof, in about 50 words or so.

As a part of its endeavor of contribution towards reducing environmental pollution and carbon footprints and ensuring sustainability across all operations, company focuses on various activity like

a. 100% Metal waste recycled & reused.

b. 75% Recycled treated effluent used inside the plant and gardening purpose.

c. 100% Hazardous waste sent to Authorized party and Common Hazardous Waste Treatment,

d. Storage and Disposal Facility.

e. 100% E-waste and Bio medical waste & Battery waste send to authorized party.

f. Waste minimization and reduction program taken.

iii) Does the company have procedures in place for sustainable sourcing(including transportation)?

Yes

If yes,what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so?

The Company depends on local mines and the authorized transport unions around their plant in Hospet for it's sourcing of the major input of iron ore. Another important input of metallurgical coke was mainly imported in view of shortage of capacities in India and uneconomical and poor quality capacity of a own plant. In the recent past, good quality domestic capacities of merchant cokeries are coming up and the Management is planning for a long term tie ups. For stainless steel manufacture the Company depends on imports in view of very low generation of this product in India, but since the Kalwe plant is very near the Navha Sheva port, this operation is very convenient.

iv) Has the company taken any steps to procure goods and services from local& small producers, including communities surrounding their place of work?

The Company has developed a large vendor base of SMEs to provide small inputs and services located around their factories.

If yes, what steps have been taken to improve their capacity and capability of local and smallv endors?

The Company provides to such vendors the necessary technical and commercial expertise, whenever needed for improvement in their capabilities**.** For most such vendors, the Company supplies the essential raw materials.

Principle 3: HUMAN CAPITAL

Sr. No.	Particulars	Response
1.	Please indicate the Total number of employees	3850 (Executives, Staff, Workmen, Retainers, Trainees, Contract Labours, & Apprentices)
	Total Number of Permanent Employees	1628 Executives – 341, Staff- 367 DRW-920
2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	2222
3	Please indicate the Number of permanent women employees	27
4	Please indicate the Number of Permanent employees with disabilities	NIL
5	Do you have an employee association that is recognised by management	Yes 1373
6	What percentage of your permanent employees is members of the recognised employee association	36 %

1. Please indicate the Number of complaints relating to child labour, forced labour, involuntary Labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	2	NIL
3	Discriminatory employment	NIL	NIL

2. What percentage of your under mentioned employees were given safety & skill gradation training in the last year?

(a) Permanent Employees: 69%

(b) Permanent Women Employees: 58%

(c) Casual/Temporary/Contractual Employees: 85%

(d) Employees with Disabilities: Nil

Principle 4: STAKEHOLDERS' ENGAGEMENT

1. Has the company mapped its internal and external stakeholders?

Yes

The stakeholders have been mapped and the key stakeholders are as follows:

a) Government and regulatory authorities

b) Investors and Shareholders

c) Employees

d) Customers

e) Local communities - Suppliers/contractorsrs.

f) Lenders

g) NGOs

There is a defined set of processes for interacting and engaging with various stakeholders at various levels. A Committee of the Board deals with the grievances and engage with the Investors and shareholders. Likewise, departments have been set up at Project locations for interacting and engaging with other stakeholders at various levels. The specialised teams ensure communication with various stakeholders internally and externally which helps the Company in understanding their concerns and respond to them appropriately.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The CSR initiatives of the Company emphasise education for self-reliance and growth, with focused approach targeted towards needy and sustenance of natural resources.

Principle 5: HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company is not having separate human right policy. However, Company ensures compliance of all applicable statues and accordingly compliance report is submitted on quarterly basis to our Board of Directors. The disciplinary action is being taken against the employees who violates disciplinary rules which covers human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

84 complaints were received in 2019-20, and all were resolved.

Principle 6: ENERGY AND ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes, Companies environmental policy extends to all interested parties, which includes company employees, vendors, suppliers, contractors, NGO's, local public and others.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes,As a part of its endeavor of contributing towards environmental protection and contributing towards reducing carbon footprints and ensuring sustainability towards all our process the company's focus on various activities like modern regenerative combustion technology, recycling of metal waste, recycling of treated water, adoption of eco -friendly waste disposal system, celebration of world environment day with tree plantation and various awareness programs to improve the environment a performance.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, Company has identified and assessed potential environmental risks based on ISO 14001:2015. Accordingly, Company has implemented following:

i. EHS risks and opportunities.

ii. EHS Compliance Obligations and Evaluations.

iii. Identification and evaluation of EHS aspects and impacts of its operation.

iv. Emergency preparedness and management.

v. Environmental management programs were taken to measure and mitigate the high-risk area through system and dedicating for continuous improvement.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, Company continues to work towards development and implementation of climate change mitigation projects. Mainly these are conservation of natural resources projects like energy conservation, water conservation, recycling material, waste reduction, noise reduction and are committed for creating and preserving safe environment. 100% canteen waste is being composted. Our plant is certified with ISO14001:2015,ISO 50001:2011, ISO 9001:2015 and IATF 16949:2016.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, several initiatives on clean technology energy efficiency and renewable energy undertaken by company like solar energy, wind energy, providing energy efficient pumping system with motors and LED fitting etc. inside the plant premises.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all emissions /waste generation are monitored on regular basis and ensured that they are within the permissible limits prescribed in the consent to operate by State Pollution Control Board and central Pollution Control Board (MPCB & CPCB).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending(i.e.,not resolved to satisfaction)as on end of Financial Year.

NIL

Principle 7:

1. Is your company a member of any trade and chamber or association?

If Yes, Name only those major ones that your business deals with:

The Company is member of following major Trade and Chamber or Association:

i. Confederation of Indian Industry;

ii. The Alloy Steel Producers Association of India;

iii. Indian Stainless Steel Development Association;

iv. Associated Chamber of Commerce & Industries of India;

v. Steel Furnace Association of India;

vi. Engineering Export Promotion Council;

vii. Federation of Indian Export Association; and

viii. Thane Belapur Industrial Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles,Others)

The Company has taken leadership roles in these industry associations and provided important inputs and statistics to the Government bodies regularly. Industry issues are taken up through these associations with appropriate Government departments for mutually acceptable resolutions.

Principle 8: COMMUNITY DEVELOPMENT

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Considering the remoteness and difficult conditions of the rural areas, programs have been designed to address the issues of literacy, women empowerment, drinking water and sanitation, public health in general and maternal and child health in particular. Creation and restoration of community infrastructures and improvement in farm productivity along with vocational skill development of rural youth is also undertaken to attain an overall improvement in quality of life of the people.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   All these programs, at different plant locations are run both through in-house independent teams, and also in collaboration through NGO's / Govt structures etc.

3. Have you done any impact assessment of your initiative?

   The Social impact of initiatives taken by the Company are mentioned in the CSR section of the Annual Report.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The Company with financial support from Janakidevi Bajaj Gram Vikas Sanstha has pursued Community development projects for promotion of Child Education and implemented projects valued at 1.47 crore during the year.

5. Have you taken steps to ensure that this community development in it initiatives successfully adopted by the community? Please explain in 50 words, or so.

   The initiatives taken by the Company are greatly appreciated in the neighbourhood, including from parents through their schoolhead-masters. The Company monitors the initiatives on regular basis through periodic site visits and interaction with the target beneficiaries.

Principle 9: CUSTOMER SATISFACTION

1. What percentage of customer complaints/consumer cases are pending as on the end of financially year.

   As on 1st April 2020, 3.76 % of complaints received were pending for settlement.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   Not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   NIL

4. Did your company carry out any consumer survey/ consumer satisfactiontrends?

   Company regularly carry out Customer satisfaction survey and take necessary actions to improve our performance in Quality , Delivery and Services.

On behalf of the Board of Directors,

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

Mumbai, June 27, 2020

Corporate Governance Report

Annexure to the Directors' Report — Annexure-4

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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] as amended.

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, 2020, the Board comprised of 8 (eight) directors, out of which 4 (four) were Executive Directors and 4 (four) were Non- Executive Independent Directors (including one woman director). The Company has had no pecuniary relations or transactions with the Non-Executive Directors/independent directors other than payment of sitting fees and reimbursement of expenses incurred by them for attending meetings of the Board/Committees of the Company.

1.2 Board Meetings:

During the year under review, 4 (four) Meetings of the Board were held on May 20, 2019; August 08, 2019; November 13; 2019 and February 14, 2020. The Board was presented with relevant, statutory and necessary information at these meetings.

The composition of Board of Directors and changes amongst them during the year under review, attendance of each Director at the Board Meetings and the last Annual General Meeting, number of directorships and committees membership(s) /chairmanship(s) of each Director as on March 31, 2020 is tabulated hereunder:

Sr. No.	Name & DIN of the Director	Category	No. of Board Meetings attended /held during their tenure	At last AGM held on August 08, 2019	No. of positions held in listed and unlisted public limited companies (including the Company)		
					Directorships	As member (including as chairman)	As Chairperson
1	Shri Niraj Bajaj (DIN: 00028261)	P.CMD	4/4	Yes	7	1	1
2	Shri Rajesh V. Shah (DIN: 00021752)	P.CCMD	4/4	Yes	6	4	-
3	Shri Suketu V. Shah (DIN: 00033407)	P.Jt.MD	4/4	Yes	3	1	-
4	Shri Prakash V. Mehta (DIN: 00001366)	I.NED	2/4	Yes	7	9	4
5	Shri Amit Yadav (DIN: 02768784)	I.NED	4/4	Yes	1	2	1
6	Shri Bharti R Gandhi (DIN: 00306004)	I.NED	3/4	Yes	2	-	-
7	Shri Pratap V. Ashar (DIN:02436046)	WTD	2/4	Yes	2	-	-
8	Shri R. Sankaran * (DIN : 00381139)	I.NED	3/3	Yes	7	4	2
9	Shri Dhirajlal S. Mehta** (DIN:00038366)	I.NED	0/2	No	Not applicable since retired as director		
10	Shri N.C. Sharma** (DIN:00054922)	I.NED	2/2	Yes	Not applicable since retired as director		

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

Rajesh V. Shah and Suketu V. Shah are related as brothers (except these, no director is related to any other directors and KMPs on the Board).

*Shri R. Sankaran (DIN 00381139) was appointed as an Independent Director of the Company for a five years with effect from 20th May, 2019 which was approved by the shareholders in the last AGM held on 8th August, 2019.

**Shri Dhirajlal S. Mehta and N.C. Sharma, Independent directors, ceased to be Directors of the Company with effect from 8th August, 2019 (Immediate after conclusion of 81st AGM held on 8th Aug., 2019) on expiry of their respective tenure.

None of the directors is a member of more than ten committees or acting as Chairman of more than five committees across all public companies in which he/she is a Director as per Regulation 26 of SEBI LODR 2015.

As per declarations received, none of the directors serves as an independent director in more than seven listed companies. Further, none of the whole-time directors in the Company serve as an Independent director in more than three listed companies. Brief profile of each of the directors of the Company is available on the Company's website: www.mukand.com.

For the purpose of considering the number of directorship, limit of the committees on which a director can serve, all public limited companies, whether listed or not have been included, and all other companies including private companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of reckoning committee positions.

None of the directors holds office as director, including alternate director, in more than twenty companies at the same time. None of them has directorship in more than ten public companies. For reckoning the limits of public companies, directorship of private companies that are either holding or subsidiary of public companies are included and directorship in dormant companies are excluded.

1.3 Directorship in other listed companies (excluding Mukand Limited) as on March 31 , 2020, is tabulated hereunder:

Sr. No.	Name of the Director	Name of listed entities	Category of directorship
1	Niraj Bajaj	a) Bajaj Auto Limited	Non Executive Director
		b) Mukand Engineers Limited	Non Executive Director
		c) Bajaj Holdings &Investment Ltd	Non Executive Director
2	Rajesh V. Shah	a) Mukand Engineers Limited	Non Executive Director
3	Suketu V. Shah	NIL	Nil
4	Prakash V. Mehta	a) Oriental Aromatics Ltd.	Independent Director
		b) Hikal Limited	Independent Director
		c) Bharat Bijlee Limited	Independent Director
		d) Mukand Engineers Limited	Independent Director
		e) Advani Hotels and Resorts (India) Ltd.	Independent Director
5	Amit Yadav	Nil	Nil
6	Bharti R. Gandhi	Nil	Nil
7	R. Sankaran	Mukand Engineers Limited	Independent Director
8	Pratap V. Ashar	Nil	Nil

1.4 Skills/ Expertise/ Competencies of the Board of Directors:

The List of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business are as follows:-

i) Knowledge on Company's businesses (Steel and Industrial Machinery Division), policies and culture (including the Mission, Vision and

Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.

ii) Behavioural skills - attributes and competencies to use their knowledge

iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, administration, decision making.

iv) Financial and Management skills, knowledge of law, Insurance, Project management, human resource management, CSR etc.

v) Technical / Professional skills and specialized knowledge in relation to Company's business.

The aforesaid skills are available with the Board Members.

As a green initiative, the Chart/Matrix of such core skills/expertise/competence possessed by each directors is placed on the website of the Company and can be accessed at www.mukand.com.

1.5 Confirmation regarding Independent Directors:

Based on annual declaration of independence received from Independent Directors, all the independent directors of the Company meet the conditions specified in SEBI Listing Regulations 2015 and are independent of the management.

None of the Independent Directors of the Company resigned before the expiry of their respective tenure during FY: 2019-20.

1.6 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 and Companies Act, 2013.

1.7 Orderly succession to the 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 Senior Management.

1.8 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.

1.9 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.

1.10 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 Standard appointment letter containing the terms and conditions of appointment of independent directors are placed on the Company's website www.mukand.com.

1.11 Appointment / Re-appointment of Directors:

a) Director liable to retire by rotation:

Shri Niraj Bajaj- Chairman and Managing Director, being liable to retire by rotation, shall retire at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

b) Re-appointment of Directors:

Shri Niraj Bajaj - Chairman and Managing Director, Shri Rajesh V. Shah - Co-Chairman and Managing Director and Shri Suketu V. Shah - Joint Managing Director, completed their respective term on 4th July, 2020, and being eligible for re-appointment, Board has recommend for their re-appointment for a term of three years w.e.f. 5th July, 2020 to 4th July 2023, subject to approval of the Members.

Brief profile and other particulars of aforesaid Directors pursuant to regulation 36(3) of the SEBI LODR, 2015 are annexed to the Notice convening AGM, which forms part of the Annual Report.

1.12 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 web link: http:www.mukand.com.

2. AUDIT COMMITTEE:

As on March 31, 2020, Audit Committee of the Company comprised of Shri Prakash V. Mehta (Chairman), Shri R. Sankaran and Shri Amit Yadav as members of the Committee, all of whom are Independent Directors.

During the year under review, 4 (four) meetings of the Committee were held on May 20, 2019; August 08, 2019; November 13; 2019 and February 14, 2020. The attendance of members at the meetings of Committee held during the year is as follows:

Sr. No.	Name of the Member	Nature of Membership	Meetings Attended/eligible to attend
1	Shri Prakash V. Mehta	Chairman	2/4
2	Shri Amit Yadav	Member	4/4
3	Shri R. Sankaran	Member	2/2
4	Dhirajlal S. Mehta	Member	0/2
5	N.C. Sharma	Member	2/2

During the year, changes occurred in the composition of the audit committee is as follows:

- Shri Dhirajlal S. Mehta and Shri N.C. Sharma, independent directors, ceased to be members of the committee consequent upon their retirement from the Board w.e.f. 8th August, 2019 (Immediate after conclusion of 81st AGM held on 8th Aug., 2019).
- Shri Amit Yadav and Shri R. Sankaran, Independent Directors, have been inducted as member of the committee w.e.f. 2nd May 2019 and 8th August, 2019, respectively.

All the recommendations of the Audit Committee have been accepted by the Board of Directors during the year. The erstwhile Chairman of the Audit Committee Shri N. C. Sharma was present at the last AGM held on 8th August, 2019.

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 Auditor is invited to attend the meeting where Cost Audit Report is considered. The Internal Auditors attend where internal audit reports 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 is needed and on new areas to be taken up for audit.

Terms of Reference:

Terms of Reference of the Audit Committee have been reviewed and revised by the Board at its meeting held on 12th February, 2019. Brief description of the terms of reference of the Audit Committee, inter-alia, are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section 3 of section 134 of the Companies Act, 2013.

    b) Changes, if any, in accounting policies and practices and reasons for the same.

    c) Major accounting entries involving estimates based on the exercise of judgment by management.

    d) Significant adjustments made in the financial statements arising out of audit findings.

    e) Compliance with listing and other legal requirements relating to financial statements.

    f) Disclosure of any related party transactions.

    g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval including the financial statements, in particular, the investments made by unlisted subsidiary(ies);

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. To review the utilization of loans, advances or both in the subsidiary company(ies) exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

21. To review Management discussion and analysis of financial condition and results of operations;

22. To review and approve statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

23. To review Management letters / letters of internal control weaknesses issued by the statutory auditors;

24. To review Internal audit reports relating to internal control weaknesses;

25. To review the appointment, removal and terms of remuneration of the Chief internal auditor / Internal Auditors;

26. To review statement of deviations, if any:

    a. quarterly statement of deviation(s) including report of monitoringagency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI LODR, 2015.

    b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI LODR, 2015.

27. To review compliance with the provisions of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, at least once ina financial year and verify that the systems for internal control are adequate and are operating effectively.

3. NOMINATION AND REMUNERATION COMMITTEE:

As on March 31, 2020, the Nomination and Remuneration Committee (NRC) comprised of Shri Prakash V. Mehta (Chairman), Shri R. Sankaran and Mrs. Bharti R. Gandhi, as members of the Committee, all of whom are Independent Directors.

During the year, 2 (two) meetings of the Committee were held on May 7, 2019 and November 13, 2019. The attendance details of the Committee is as follows:

Name of the Member	Nature of Membership	No. of Meetings Attended/ eligible to attend
Prakash V. Mehta	Chairman	2/2
R. Sankaran	Member	1/1
Bharti R. Gandhi	Member	2/2
N.C. Sharma	Member	1/1
Dhirajlal S. Mehta	Member	0/1

During the year, changes occurred in the composition of the Nomination committee is as follows.

- Shri Dhirajlal S. Mehta and Shri N.C. Sharma, Independent Directors, ceased to be members of the committee with effect from 8th August, 2019, consequent upon their retirement form the Board of the Company.

- Mrs. Bharti R. Gandhi and Shri R. Sankaran, Independent Directors, have been inducted as members of the committee with effect from 2nd May, 2019 and 8th August, 2019, respectively.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) has been reviewed and revised by the Board of Directors at its meeting held on 12th February, 2019, which covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. Brief description of the terms of reference of the NRC, inter-alia, are as follows:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to specify the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors to be carried out by the Board, by the NRC or by an independent external agency and review its implementation and compliance;

2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

3. To take into account financial position of the company, trend in the industry, appointees qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interests of the company and the shareholders while approving the remuneration payable to managing director, whole-time director or manager;

4. To lay down / formulate the evaluation criteria for performance evaluation of independent directors & the Board;

5. To devise a policy on Board diversity;

6. To recommend to the board, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. To review and approve the remuneration and change in remuneration payable to whole-time directors; and

8. To recommend to the board, all remuneration payable to senior management (i.e. members of the core management team, i.e. members one level below the chief executive officer/managing director/ whole-time director and shall specifically include Company Secretary and Chief Financial Officer).

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 etc. The performance evaluation criteria for Independent Directors is determined as per provisions of the Companies Act, 2013 and SEBI LODR, 2015 and guidance note on evaluation issued by SEBI. An Indicative list of factors on which evaluation was carried out includes participation and contribution by the director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentially and independence of behaviour and judgement.

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 excluding the independent directors being evaluated. 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 Company has formulated Nomination & Remuneration policy for implementation by the Committee which is available on the website of the Company under weblink **http:/www.mukand.com/wp-content/uploads/2015/09/9.remuneration-and-evaluation-Policy.pdf.**

Brief summary of Remuneration Policy for Directors, Key Managerial Personnel and other Employees, inter-alia, is as follows:

A. Non-Executive Directors (NEDs)-

NEDs shall be paid —

(i) a sitting fee of Rs. 50,000/- for attending every meeting of the Board or Audit Committee; 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) and meeting of the Independent Directors.

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 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 details of remuneration of Niraj Bajaj - Chairman & Managing Director, Rajesh V. Shah - Co-Chairman & Managing Director, Suketu V. Shah - Joint Managing Director and Pratap V. Ashar - Director & Advisor-Administration for FY: 2019-20 is as follows:

(Rs. in crore)

Remuneration Package	Niraj Bajaj	Rajesh V. Shah	Suketu V. Shah	Pratap V. Ashar
Salary and allowances	0.96	0.96	0.91	0.10
Leave Encashment	-	-	0.08	0.00
Contribution to Provident Fund and Other funds	0.11	0.11	0.12	-
Perquisites	0.24	0.24	0.23	0.01
Total (Rs. in crore)	**1.31**	**1.31**	**1.34**	**0.11**

The Company, proposed to enter agreements with the Chairman & Managing Director, Co-Chairman & Managing Director and the Joint Managing Director for a period of 3 years w.e.f. July 5, 2020; which can be terminated by giving 6 months' notice in writing. In respect of Pratap V. Ashar, Director & Advisor-Administration, the employment agreement provides for notice period of 3 months for termination of agreement with the Company. There is no provision for severance fees in the employment contracts of any of the Managing Directors or Whole-time Directors/Executive Directors of the Company.

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 meetings, Committees 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/Independent Directors during the year and the shares held by them in the Company as on March 31, 2020 is as under: -

Sr. No.	Name of the Director	Gross Sitting Fees (In Rs.)	Shareholding	
			Equity Shares	CRPS
1.	Dhirajlal S. Mehta	--	NA	NA
2.	N. C. Sharma	2,40,000	NA	NA
3.	Prakash V. Mehta	3,00,000	-	-
4.	Amit Yadav	4,40,000	1,100	-
5.	Bharti R. Gandhi	2,10,000	5,000	-
6.	R. Sankaran	2,90,000	507	59

Sitting fee indicated above includes payment for Board-level statutory and non-statutory committee meetings as well as meeting of independent directors. No commission was paid to directors during the FY: 2019-20.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

As on March 31, 2020, the Stakeholders' Relationship Committee (SRC) comprised of Shri Amit Yadav (Chairman), Shri Rajesh V. Shah and Shri Prakash V. Mehta as members of the Committee. The Committee comprised of two Independent directors (including Chairman) and one Executive director.

During the year, a meeting of the Committee was held on May 20, 2019, which was attended by Shri N.C. Sharma, then chairman & member, and Shri Amit Yadav. Dhirajlal S. Mehta did not attend the meeting.

During the year, changes occurred in the composition of the committee is as follows:

- Shri Rajesh V. Shah and Shri Prakash V. Mehta have been inducted as members of the committee.
- Shri Dhirajlal S. Mehta and N.C. Sharma ceased to be members of the committee w.e.f. 8th August, 2019.

As on March 31, 2020, no request for transfer of shares and for dematerialization/ rematerialisation of shares was pending for approval. K. J. Mallya, Company Secretary acts as the Compliance Officer to the Committee.

Terms of Reference:

Terms of reference of the Committee has been reviewed and updated by the Board at its meeting held on 12th February 2019. An updated terms of reference of the Committee inter-alia, are as follows:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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, issue of duplicate shares, request for change of address, non returning of share certificate which was mainly due to old invalid share certificate, etc. were attended generally within prescribed time. The Company has not received any material complaints from Shareholders through SEBI, Stock Exchanges (NSE & BSE) and other market securities market intermediaries (NSDL & CDSL) during the year under review.

Details of shareholders' complaints received and redressed during the financial year 2019-20 are as follows:-

Opening Balance at the beginning of the year	Received during the year	Resolved during the year	Remain unresolved at the end of the year
0	84	84	0

5. GENERAL BODY MEETINGS:

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

AGM	Date & Time of AGM	Venue of AGM
79th	July 24, 2017 at 4:00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai-400 020
80th	August 13, 2018 at 4:00 p.m.	Kamalnayan Bajaj Hall, BajajBhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021
81st	August 08, 2019 at 4:00 p.m.	Kamalnayan Bajaj Hall, BajajBhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021

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 of AGM	Description of Special Resolution
79th	July 24, 2017 at 4:00 p.m.	• Increase of Borrowing powers of the Board under section 180(1)(c) of the Companies Act, 2013
80th	August 13, 2018 at 4:00 p.m.	• Issue of Redeemable Non- convertible Debentures on private placement basis • Appointment of Shri Pratap V. Ashar as a Director & Advisor – Administration
81st	August 08, 2019 at 4: 00 p.m.	• Issue of Redeemable Non-convertible Debentures on private placement basis • Continuation of Shri Dhirajlal S. Mehta as an Independent Director • Continuation of Shri N. C. Sharma as an Independent Director • Continuation of Shri Prakash V. Mehta as an Independent Director • Re-appointment of Shri Prakash V. Mehta as an Independent Director • Re-appointment of Shri Amit Yadav as an Independent Director • Re-appointment of Smt. Bharti R. Gandhi as an Independent Director • Remuneration to Shri Niraj Bajaj, Chairman & Managing Director • Remuneration to Shri Rajesh V. Shah, Co-Chairman & Managing Director • Remuneration to Shri Suketu V. Shah, Joint Managing Director

iii). Details of Postal Ballot conducted during the year:

As per directions of National Company Law Tribunal in the matter of Scheme of Amalgamation by Absorption amongst Adore Traders & Realtors Private Limited; Mukand Global Finance Limited; Mukand Engineers Limited and Mukand Limited and their respective shareholders and creditors ("Scheme"), meetings of Equity Shareholders and CRPS holders were convened and held on 28th November, 2019, wherein to obtain shareholders approval, addition to e-voting, postal ballot and voting at venue Postal ballot were also conducted, details of the same are given below:

(a) Details of the Scrutiniser: Anant B. Khamankar & Co.

(b) Date of Scrutinizer report: 29th November, 2019

(c) Date of passing resolution: 28th November, 2019

The Scrutiniser's Report along with details of voting for the above Postal ballots have been posted on the Company's website and can be accessed at https://www.mukand.com/wp-content/uploads/2015/08/Result-and-Scrutinizer-report.

None of the businesses proposed to be transacted at the ensuing 82nd Annual General Meeting require passing a resolution through Postal Ballot except for item no. 11 of the Notice, which is proposed to be transacted at the aforesaid Annual General Meeting pursuant to proviso to Section 110 (1) of the Companies Act, 2013.

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 at: http:/www.mukand.com/wp-content/uploads/2015/09/2-Policy-on-RPTs-and-materiality of-transactions.pdf.

6.2. Compliance with Regulations:

There were neither non-compliance on any 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:

6.4.1. 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.

6.4.2 Foreign Exchange Risk and hedging activities:

The Company's net foreign exchange exposure during the year under review was Rs. 788.62 crore. The Company has taken strategic decisions to hedge its exports and imports and managed the foreign exchange exposure through nominated forex committee of senior management team. The rupee dollar rate has been volatile during the year to the extent of 11.65% and depreciated at the end by 9.14% 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 risk perceptions.

6.5. OTHER DISCLOSURES:

6.5.1 The Company has complied with all the applicable 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 alongwith details of web link (in cases where it is prescribed) are given in Annexure-4.

6.5.2 The Company has complied with all the Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

6.5.3 Disclosure as required by item 10(f) of Part C of Schedule V of the SEBI (LODR) Regulations 2015 with respect to demat suspense account/ unclaimed suspense account is as follows:

Particulars	No. of Equity shareholders	No. of Equity Shares	No. of Shares (CRPS)	No. of CRPS holders
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	255	11,143	2,714	244
Shareholders who approached the Company for transfer of shares from suspense account during the year	2	96	24	2
Shareholders to whom shares were transferred from the suspense account during the year	2	96	24	2
Shareholders whose shares are transferred to demat account of the IEPF authority as per section 124 of the Act	NIL			
Aggregate number of shareholders and outstanding shares in the suspense account as on March 31, 2020	253	11,047	2690	242

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

6.5.4 Suitable disclosures have been made in the financial statements, together with Management's explanation in the event of any treatment being different from the prescribed in the Ind AS.

7. Code of Conduct:

All directors and senior management personnel have affirmed compliance with the code of conduct for 2019-20 as required under regulation 26(3) of SEBILODR, 2015. A declaration to this effect signed by the Managing Directors is annexed to this Report.

There were no materially significant transactions during the financial year with Board members and senior management, including their relatives that had or could had a potential conflict of interest with the Company. The code of conduct is available on the website of the Company.

8. Code for Prevention of Insider Trading (PIT):

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. The PIT Code is available on the website of Company.

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 the 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, 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. During the financial year under review, the Company has not made any separate presentation to financial analysts. 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 at www.mukand.com.

11. SHAREHOLDERS' INFORMATION:

11.1 82nd Annual General Meeting:

Date	Tuesday, 29th September, 2020
Time	2:00 p.m.
Venue	Since the meeting being held through video conferencing the deemed venue for 82nd e-AGM shall be the Registered Office of the Company.

11.2 Tentative Financial calendar:

Tentative schedule for consideration of Financial Results:

Financial Year: April 1, 2020 to March 31, 2021

First quarter financial results	On or before 14th September, 2020
Second quarter financial results	On or before 14th November 2020
Third quarter financial results	On or before 14th February 2021
Quarter Four /Annual Results for F.Y. 2020-21	On or before 30th May 2021

11.3 Date of Book Closure/Cut off date for e-voting:

The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity and preference share capital as on the cut-off date i.e., Tuesday, September 22, 2020.

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 FY: 2019-20.

11.5 Stock Code:

Sl. No.	Particulars	Equity	CRPS
1	BSE	500460	700087
2	NSE	MUKANDLTD	MUKANDCRPS
3	ISIN of Securities	INE304A01026	INE304A04012

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 2019-20 are given hereunder:

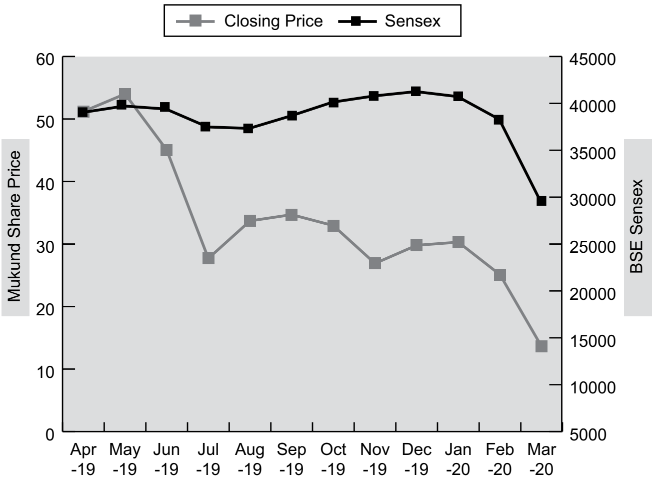
(Rs. per share)

Month	BSE		NSE	
	High	Low	High	Low
Year 2019				
April	57.80	51.00	58.20	50.40
May	55.45	40.60	55.80	43.25
June	55.00	44.60	56.80	44.55
July	46.50	26.55	47.15	26.30
August	36.50	26.70	36.85	26.30
September	39.15	32.05	38.55	33.00
October	34.60	27.15	34.90	27.50
November	36.50	26.05	35.95	25.70
December	31.00	25.20	31.90	24.50
Year 2020				
January	34.85	29.00	35.00	29.00
February	31.00	25.00	30.85	24.50
March	28.75	12.00	28.90	11.75

CRPS Month	BSE		NSE	
	High	Low	High	Low
Year 2019				
April	7.50	6.35	9.35	5.20
May	7.79	5.27	6.50	4.55
June	7.86	6.01	7.55	5.10
July	8.95	5.20	7.20	5.00
August	10.68	6.25	8.75	5.60
September	9.00	4.40	7.25	4.30
October	6.30	4.51	5.35	4.50
November	7.19	5.50	6.35	4.25
December	13.04	5.66	5.70	4.80
Year 2020				
January	11.38	5.54	6.00	5.30
February	15.54	9.96	6.95	4.30
March	15.45	8.64	4.55	2.6

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 KFin Technologies Pvt. Ltd. (formerly known as Karvy Fintech Private Limited) [KFintech], Hyderabad, as its share transfer agent for carrying out the work relating to share transfer / dematerialization / re-materialisation 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/re-materialisation are being processed periodically at Kfintech. The work relating to dematerialization/re-materialisation s handled by Kfintech 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 the Companies to 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 of Rs. 180 (Rs. One Hundred & Eighty only) on Preference shares for the financial year 2011-12 was transferred to the fund during FY: 2019-20. Dividends for and upto the Financial Year ended March 31, 2012 have already been transferred to the IEPF, and Unpaid/unclaimed dividend for the FY 2012-13 shall become due for transfer to the fund during FY: 2020-21 as per provisions of section 124 and read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'). Members are requested to verify their records and send their claim, if any, for FY: 2012-13, before the amount becomes due for transfer to the Fund.

Shareholders who have not encashed their Dividend Warrants relating to the Dividends as specified above are advised to send their request letter for issue of demand drafts to KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) or Nodal officer of the Bank, Mr. K. J. Mallya. The details of unpaid/unclaimed dividends are available on the website of the Company https://www.mukand.com

Transfer of 'Underlying Shares' in respect of which Dividend has not been claimed for seven consecutive years or more, to the IEPF:

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, members are requested to note that Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company within a period of thirty days of expiry of said seven years.. Upon transfer of such shares, all benefits (eg. bonus, spilt etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shareholders are requested to get in touch with the nodal officer for further details on the subject at investors@mukand.com.

11.10 Share Transfer System:

During FY2020, no shares were transferred in the physical form except for those for whom the transfer deed was lodged prior to 1 April 2019 and was returned due to deficiency in the document and were thus re-lodged post 1 April 2019 in compliance with SEBI amended regulation 40 of the SEBI Listing Regulations, prohibiting transfer of securities (except transmission or transposition of shares) in physical form.

Share transfers (including transmission/transposition) 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, 3825 Equity Shares and 590 CRPS were transferred in physical(non-dematerialized) form.

11.11 Distribution of Shareholding:

The Company had 36,006 Equity Shareholders and 39,545 CRPS holders as on March 31, 2020. Distribution of shareholding is given in the table hereunder:

a) Equity Shares:

Distribution of Shareholding	No. of Equity Shares	% to Equity Shares	No. of Cases	% to Cases
Upto -50	3,43,133	0.2427	15,456	42.9262
51-100	5,71,981	0.4045	6,590	18.3025
101-500	24,63,717	1.7423	9,073	25.1986
501-1000	18,57,818	1.3138	2,271	6.3073
1001-5000	44,78,511	3.1671	1,999	5.5519
5001-10000	20,42,213	1.4442	280	0.7776
10001 and above	12,96,48,488	91.6854	337	0.9359
Total	**14,14,05,861**	**100.00**	**36,006**	**100.00**

b) Distribution of CRPS holding as on 31st March, 2020:

Distribution of Shareholding	No. of CRPS	% to CRPS	No. of Cases	% to Cases
Upto -50	3,73,810	6.6440	35,864	90.6916
51-100	1,33,026	2.3644	1,722	4.3545
101-500	3,31,099	5.8848	1,564	3.9550
501-1000	1,25,817	2.2362	169	0.4274
1001-5000	3,52,934	6.2729	158	0.3995
5001-10000	1,79,589	3.1919	25	0.0632
10001 and above	41,30,045	73.4058	43	0.1088
Total	**56,26,320**	**100.00**	**39,545**	**100.00**

c) Shareholding pattern of the Equity Shares as on March 31, 2020 is as under:

Sl. No.	Category of Shareholders	No. of Shares	% of total Shareholding
1	Promoter and Promoter Group	10,51,36,968	74.35
2	Mutual Funds	924	0.00
3	Banks and Financial Institutions / NBFC's Registered with the RBI	9,199	0.01
4	Insurance Companies	53,45,984	3.78
5	Body Corporates	64,79,757	4.58
6	Clearing Member	94,226	0.07
7	Foreign Institutional & Portfolio Investors	80	0.00
8	Non–Resident Indians /OCB'S	8,40,264	0.59
9	IEPF Authority	4,15,794	0.29
10	Public and others	2,30,82,665	16.33
	Total	**14,14,05,861**	**100.00**

d) The Shareholding pattern of 0.01% Cumulative Redeemable Preference Shares (CRPS) as on March 31, 2020 is as under:

Sr. No.	Category of Shareholders	Number of Shares	% of Total Shareholding
1	Promoter and Promoter Group	14,27,758	25.38
2	Mutual Funds	481	0.01
3	Banks and Financial Institutions	2,81,614	5.00
4	Insurance Companies	8,58,529	15.26
5	Body Corporate	1,43,566	2.55
6	Clearing Member	70	0.00
7	Foreign Institutional Investors	7,740	0.14
8	Non–Resident Indians	14,413	0.26
9	Public and others	28,92,149	51.40
	Total	**56,26,320**	**100.00**

11.12 Dematerialization of Shares and liquidity:

SEBI amended regulation 40 of the SEBI Listing Regulations, prohibiting transfer of securities (except transmission or transposition of shares) in physical form from 1 April 2019.Accordingly, the Company had sent letters to members holding shares in physical form advising them to dematerialise their holdings.

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 26,521 Equity Shares and 4,072 CRPS were dematerialised in respect of 276 and 227 requests respectively.

The dematerialisation level percentage as on March 31, 2020 stood at 99.17% of total paid-up Equity Share capital, and 92.93 % of the total paid-up 0.01% Cumulative Redeemable Preference Share capital.

As on March 31, 2020, 28,122 shareholders held 140,230,796 equity Shares in demat and 7,884 shareholders held 11,75,065 equity shares in physical form, and 16,887shareholders held 52,28,554 preference shares in demat form and 22,658 shareholders held 3,97,766 preference shares in Physical form.

11.13 Plant Locations:

1. Dighe, Thane, Maharashtra- 400 605.
2. Ginigera, Karnataka - 583 228.

11.14 Address for Correspondence:

(i) Physical Shares (Equity and Preference):

Share Transfer Agents:

KFin Technologies Private Limited (Formerly Karvy Fintech 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@kfintech.com, kanhai.sharma@kfintech.com**
Website : www.kfintech.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

11.15 Credit Ratings and Change/Revisions in Credit Ratings during FY: 2019-20:

a) Acuite Ratings & Research Limited (ACUITE) made following revisions in credit ratings of Fixed Deposits and Bank facilities of the Company during the year.

Sr. No.	Particulars	Amount (Rs. in Crore)	Rating Agency	Rating	Outlook
1	Fixed Deposit	120.48	Acuite	Acuite FBB	Negative from stable
2	Bank Facilities – Long term Instrument	493.48	Acuite	Acuite BB	Negative from stable
3	Bank Facilities –Short term Instrument	552.00	Acuite	Acuite A4+	Stable (re-affirm)

b) Brickwork Ratings India Pvt. Ltd. (Brickwork) made following revisions and simultaneous withdrawal of credit ratings of various facilities of the Company.

Sr. No.	Particulars	Amount (Rs. in Crore)	Rating Agency	Rating	Outlook
1	Term Loan	16.00	Brickwork	BWR B+	Stable, Downgrade and Withdrawn
2	Cash Credit	325.00	Brickwork	BWR B+	Stable, Downgrade and Withdrawn
3	Fixed deposit	116.51	Brickwork	BWR FB+	Stable, Downgrade and Withdrawn
4	LC/BG	543.00	Brickwork	BWR A4	Reaffirmed and Withdrawn

11.16 Details of utilization of funds raised through preferential allotment, Institutions Placement as specified under Regulation 32 (7A):

The Company has utilized the funds raised through preferential allotment / private placement made by the Company during FY: 2019-20 for the purposes which was stipulated in the Placement/offer Document.

12. ADOPTION OF MANDATORY & NON-MANDATORY REQUIREMENTS:

12.1. Mandatory

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

12.2. Non-mandatory

i) Shareholder rights: Quarterly financial results were published in one English newspaper and in one Marathi newspaper, except for quarter & year ended 31st March 2020 in view of relaxation provided by SEBI. 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 Compliance:

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

14. Details of fees paid to Statutory Auditors:

During the financial year FY: 2019-20, total fees for all services paid by the Company and its subsidiaries viz. Mukand Sumi Metal Processing Limited (MSMPL) and Mukand Sumi Special Steel Limited (MSSSL), on a consolidated basis, to the statutory auditors M/s. Haribhakti & Co. LLP, Chartered Accountants and all entities in the network firm/network entity of which the statutory auditors is a part, is as under:

(Amount in Rs.)

Particulars of Auditors remuneration	Paid by Company	Paid by subsidiaries	
		MSMPL	MSSSL
As Auditors	47,00,000	7,50,000	12,50,000
For taxation matters / audit	5,00,000	1,25,000	2,50,000
For other services	22,10,000	3,80,000	5,40,000
For reimbursement of Exp.	54,938	13,472	14,441
For Certification services	-	75,000	-
Total (Amount in Rs.)	**74,64,938**	**13,43,472**	**20,54,441**

15. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosure as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

a. Number of complaints filed during FY: 2019-20	2
b. Number of complaints disposed off during FY: 2019-20	2
c. Number of complaints pending at the end of FY: 2019-20	0

16. Certificate on non-disqualification of Directors:

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. A certificate to this effect issued by Shri Anant Khamankar of M/s. Anant B Khamankar & Co., Practising Company Secretary is annexed to this report.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, June 27, 2020

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 June 04, 2019.

2. We have examined the compliance of conditions of Corporate Governance by Mukand Limited ('the Company'), for the year ended on March 31, 2020, 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, 2020.

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 UDIN: 20034828AAAADJ3325

Place: Mumbai
Date: June 27, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
MUKAND LIMITED
Bajaj Bhavan,
Jamnalal Bajaj Marg,
226 Nariman Point,
Mumbai - 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mukand Limited having CIN: L99999MH1937PLC002726 and having registered office at Bajaj Bhavan, Jamnalal Bajaj Marg, 226 Nariman Point, Mumbai - 400021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

FOR **ANANT B KHAMANKAR & CO.**
COMPANY SECRETARIES

ANANT B. KHAMANKAR
MEMBERSHIP NO. : 3198
C P NO. : 1860
UDIN: F003198B000503522

Mumbai, June 27, 2020

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, 2020 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; and

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.

Mumbai, June 27, 2020	**Niraj Bajaj** Chairman & Managing Director	**Rajesh V. Shah** Co-Chairman & Managing Director	**Umesh V. Joshi** Chief Financial Officer

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 of Directors 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, 2020.

Mumbai, June 27, 2020	**Niraj Bajaj** Chairman & Managing Director	**Rajesh V. Shah** Co-Chairman & Managing Director

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020
[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/Non Govt. Company
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	Kfin Technologies 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	37.76
2	Manufacture of Stainless Steel bars, rods, structurals, rails	27153	43.64

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31 MARCH 2020

Sr. No.	Name 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 Sumi Special Steel Ltd.	U27310MH2015PLC260936	Subsidiary	51.00	2(87)
4	Mukand International FZE	Foreign Company	Subsidiary	100.00	2(87)
5	Mukand Sumi Metal Procesing Ltd.	U27300MH2012PLC234000	Subsidiary	51.00	2(87)
6	Mukand Vini Mineral Ltd. (Under process of striking off)	U14200MH2008PLC187216	Associate	49.02	2(6)
7	Stainless India Ltd.	U27107RJ1995PLC010920	Associate	44.09	2(6)
8	Mukand Engineers Ltd.	L45200MH1987PLC042378	Associate	36.05	2(6)
9	Bombay Forgings Ltd.	U28910MH1966PLC013399	Associate	24.00	2(6)
10	Adore Traders and Realtors Pvt. Ltd.	U45201MH2006PTC163824	Stepdown subsidiary	100.00	2(87)

During the year, Mukand International Ltd., U.K. , foreign subsidiary of the company, liquidated/struck off with the Registrar in the UK.
* Mukand Vini Mineral Ltd is under process of striking off with Registrar of Companies, Mumbai.

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

i) Categary-wise Share Holding

Categary of Shareholders	No. of shares held of the beginning of the year (1st April, 2019)				No. of shares held of the end of the year (31st March, 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	33,051,440	-	33,051,440	23.37	33,055,940	-	33,055,940	23.38	0.00
b. Central Govt.									
c. State Govt.									
d. Bodies Corp.	67,510,927	-	67,510,927	47.74	68,410,927	-	68,410,927	48.38	0.64
e. Bank/ FI									
f. Any Other	3,670,101		3,670,101	2.60	3,670,101	-	3,670,101	2.60	0.00
Sub-Total (A)(1)	104,232,468	-	104,232,468	73.71	105,136,968	-	105,136,968	74.35	0.64
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)	104,232,468	-	104,232,468	73.71	105,136,968	-	105,136,968	74.35	0.64
B. Public Shareholding									
1. Institutions									
a. Mutal Funds	924	-	924	0.00	924	-	924	0.00	-
b. Bank/ FI	47,233	2,922	50,155	0.04	6,556	2,046	8,602	0.01	-0.03
c. Central Govt.									
d. State Govt(s)									
e. Venture Capital Funds									
f. Insurance Companies	5,345,984	-	5,345,984	3.78	5,345,784	-	5,345,784	3.78	-0.00
g. FIIs	126,080	-	126,080	0.09	80	-	80	0.00	-0.09
h. Foreign Venture Capital									
i. Others (specify)									
Sub-Total (B)(1)	5,520,221	2,922	5,523,143	3.91	5,353,344	2,046	5,355,390	3.79	-0.12
2. Non- Institutions									
a. Body Corporate									
i. Indian	6,693,538	398,883	7,092,421	5.02	6,471,076	8,681	6,479,757	4.58	-0.43
ii. Overseas					-	-	-	0.00	
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	12,366,833	540,279	12,907,112	9.13	11,378,274	1,010,043	12,388,317	8.76	-0.37
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	7,894,183	255,218	8,149,401	5.76	8,277,763	150,068	8,427,831	5.96	0.20
c. Others (specify)									
i. Clearing members	21,448	-	21,448	0.02	94,226	-	94,226	0.07	0.05
ii. NRIs	797,582	3,630	801,212	0.57	837,624	3,630	841254.00	1	0.03
iii. Trusts (including Employee Welfare Funds)	2,261,974	-	2,261,974	1.60	2,265,727	-	2,265,727	1.60	-
iv. IEPF Authority	416,085	-	416,085	0.29	415,794	-	415,794	0.29	
v. Other Scheduled Banks	-	597	597	0.00	-	597	597	0.00	
Sub-Total -B-(2)		-		0.00	29,740,484	1,173,019	30,913,503	21.86	21.86
Total Public Shareholding (B) = (B)(1) + (B)(2)	35,971,864	1,201,529	37,173,393	26.29	35,093,828	1,175,065	36,268,893	25.65	0.64
C. Shares held by Custodian for GDRs & ADRs		-	-	0.00		-	-	0.00	
Grand Total (A+B+C)	140,204,332	1,201,529	141,405,861	100.00	140,230,796	1,175,065	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, 2019)			No. of shares held of the end of the year (31st March, 2020)			% 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	712044	0.50	0.00	712044	0.50	0.00	0.00
2	Niraj Bajaj	11786730	8.34	0.00	11786730	8.34	0.00	0.00
3	Rajesh V Shah	7202007	5.09	2.62	7202007	5.09	2.62	0.00
4	Suketu V Shah	45381	0.03	0.00	45381	0.03	0.00	0.00
5	Sanjivnayan Bajaj	1787	0.00	0.00	1787	0.00	0.00	0.00
6	Shekhar Bajaj	711134	0.50	0.00	711134	0.50	0.00	0.00
7	Madhur Bajaj	717133	0.51	0.00	717133	0.51	0.00	0.00
8	Anant Bajaj	86400	0.06	0.00	86400	0.06	0.00	0.00
9	Sunaina Kejriwal	1363	0.00	0.00	1363	0.00	0.00	0.00
10	Suman Jain	3744	0.00	0.00	3744	0.00	0.00	0.00
11	Anjana Viren Shah (Nee Anjana Munsif)	11634	0.01	0.00	11634	0.01	0.00	0.00
12	Narendrakumar J Shah	99605	0.07	0.00	104105	0.07	0.00	0.00
13	Jyoti Shah	0	0.00	0.00	0	0.00	0.00	0.00
14	Bansri Rajesh Shah	3431542	2.43	1.95	3431542	2.43	1.95	0.00
15	Czaee Suketu Shah	4975352	3.52	3.52	4975352	3.52	3.52	0.00
16	Priyaradhika Rajesh Shah	960046	0.68	0.34	960046	0.68	0.34	0.00
17	Kaustubh Rajesh Shah	96000	0.07	0.03	96000	0.07	0.03	0.00
18	Rishabh Sukumar Vir	2017538	1.43	1.29	2017538	1.43	1.29	0.00
19	Minal Bajaj	192000	0.14	0.00	192000	0.14	0.00	0.00
20	Neelakantan K. Iyer (A/c Jadavdevi Suketu Trust)	3642801	2.58	0.00	3642801	2.58	0.00	0.00
21	Niraj Bajaj (A/c Niravnayan Trust)	27200	0.02	0.00	27200	0.02	0.00	0.00
22	Bachhraj & Co Pvt Ltd	3350692	2.37	0.00	4031892	2.85	0.00	0.48
23	Bachhraj Factories Pvt Ltd	1728168	1.22	0.00	2228168	1.58	0.00	0.35
24	Bajaj Holdings & Investment Ltd	8113564	5.74	0.00	8113564	5.74	0.00	0.00
25	Bajaj Sevashram Pvt Ltd	2500160	1.77	0.00	2900160	2.05	0.00	0.28
26	Baroda Industries Pvt Ltd	17003577	12.02	0.00	17003577	12.02	0.00	0.00
27	Jamnalal Sons Pvt Ltd	28244773	19.97	0.00	28,244,773	19.97	0.00	0.00
28	Jeewan Limited	4785369	3.38	0.00	4785369	3.38	0.00	0.00
29	Mukand Engineers Ltd	681200	0.48	0.48	0	0.00	0.00	-0.48
30	Niraj Holdings Pvt Ltd	8000	0.01	0.00	8000	0.01	0.00	0.00
31	Sidya Investments Ltd	160000	0.11	0.00	160000	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.	7000	0.00	0.00	7000	0.00	0.00	0.00
35	Madhur Securities Pvt. Ltd.	7000	0.00	0.00	7000	0.00	0.00	0.00
36	Rahul Securities Pvt. Ltd.	7000	0.00	0.00	7000	0.00	0.00	0.00
37	Rupa Equities Pvt. Ltd.	7000	0.00	0.00	7000	0.00	0.00	0.00
38	Sanraj Nayan Investments Pvt. Ltd.	3494	0.00	0.00	3494	0.00	0.00	0.00
39	Shekhar Holdings Pvt. Ltd.	7000	0.00	0.00	7000	0.00	0.00	0.00
40	Isarnan Steel and Minerals Pvt. Ltd.	896310	0.63	0.53	896310	0.63	0.00	0.00
41	Orement Minerals and Metal Pvt Ltd	100	0.00	0.00	100	0.00	0.00	0.00
42	Rajesh V Shah (A/c Decree Trust)	100	0.00	0.00	100	0.00	0.00	0.00
	TOTAL	104,232,468	73.71	10.76	105,136,968	74.35	9.75	0.64

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

Sr. No.	Particulars	Shareholding at the beginning of the year (1st April, 2019) / at the end of the year (31st March, 2020)		Total promoters Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Total promoters' shareholding At the begining of the year-	**104,232,468**	**73.71**		
	Date-wise increase/(decrease)				
1	**Bachhraj Factories Pvt. Ltd.**				
	23-05-2019 (Market Acquisition)	8,454	0.01	104,240,922	73.72
	23-05-2019 (Market Acquisition)	46,620	0.03	104,287,542	73.75
	24-05-2019 (Market Acquisition)	4,997	0.00	104,292,539	73.75
	24-05-2019 (Market Acquisition)	5,525	0.00	104,298,064	73.76
	27-05-2019 (Market Acquisition)	2,407	0.00	104,300,471	73.76
	27-05-2019 (Market Acquisition)	6,143	0.00	104,306,614	73.76
	28-05-2019 (Market Acquisition)	6,601	0.00	104,313,215	73.77
	28-05-2019 (Market Acquisition)	55,239	0.04	104,368,454	73.81
	29-05-2019 (Market Acquisition)	46,722	0.03	104,415,176	73.84
	29-05-2019 (Market Acquisition)	96,904	0.07	104,512,080	73.91
	30-05-2019 (Market Acquisition)	30,192	0.02	104,542,272	73.93
	30-05-2019 (Market Acquisition)	15,196	0.01	104,557,468	73.94
	31-05-2019 (Market Acquisition)	2,133	0.00	104,559,601	73.94
	31-05-2019 (Market Acquisition)	7,338	0.01	104,566,939	73.95
	03-06-2019 (Market Acquisition)	340	0.00	104,567,279	73.95
	03-06-2019 (Market Acquisition)	3,715	0.00	104,570,994	73.95
	04-06-2019 (Market Acquisition)	499	0.00	104,571,493	73.95
	4-06-2019 (Market Acquisition)	7,260	0.01	104,578,753	73.96
	06-06-2019 (Market Acquisition)	6,595	0.00	104,585,348	73.96
	6-06-2019 (Market Acquisition)	47,120	0.03	104,632,468	73.99
	07-06-2019 (Market Acquisition)	3,050	0.00	104,635,518	74.00
	07-06-2019 (Market Acquisition)	10,270	0.01	104,645,788	74.00
	10-06-2019 (Market Acquisition)	1,000	0.00	104,646,788	74.00
	10-06-2019 (Market Acquisition)	35,680	0.03	104,682,468	74.03
	11-06-2019 (Market Acquisition)	10,602	0.01	104,693,070	74.04
	12-06-2019 (Market Acquisition)	22,398	0.02	104,715,468	74.05
	12-06-2019 (Market Acquisition)	17,000	0.01	104,732,468	74.07
2	**Bajaj Sevashraam Pvt. Ltd.**				
	14-06-2019 (Market Acquisition)	3,475	0.00	104,735,943	74.07
	14-06-2019 (Market Acquisition)	12,622	0.01	104,748,565	74.08
	17-06-2019 (Market Acquisition)	41,165	0.03	104,789,730	74.11
	17-06-2019 (Market Acquisition)	50,433	0.04	104,840,163	74.14
	18-06-2019 (Market Acquisition)	41,520	0.03	104,881,683	74.17
	18-06-2019 (Market Acquisition)	38,484	0.03	104,920,167	74.20
	19-06-2019 (Market Acquisition)	13,000	0.01	104,933,167	74.21
	19-06-2019 (Market Acquisition)	74,301	0.05	105,007,468	74.26
	20-06-2019 (Market Acquisition)	5,710	0.00	105,013,178	74.26
	20-06-2019 (Market Acquisition)	19,290	0.01	105,032,468	74.28
	24-06-2019 (Market Acquisition)	8,700	0.01	105,041,168	74.28
	24-06-2019 (Market Acquisition)	41,300	0.03	105,082,468	74.31
	25-06-2019 (Market Acquisition)	703	0.00	105,083,171	74.31
	25-06-2019 (Market Acquisition)	15,148	0.01	105,098,319	74.32
	26-06-2019 (Market Acquisition)	300	0.00	105,098,619	74.32
	26-06-2019 (Market Acquisition)	33,849	0.02	105,132,468	74.35
3	**Bachhraj & Co. Pvt. Ltd**				
	30-12-2019 (Market Acquisition)	681,200	0.48	105,813,668	74.83
4	**Mukand Engineers Ltd**				
	30-12-2019 (Market Sale)	(681,200)	-0.48	105,132,468	74.35
5	**Shri Narendra Jeewanlal Shah**				
	10th January 2020 (Transmission-off market)	4,500	0.00	105,136,968	74.35
			-	105,136,968	74.35
	Total Promoters' shareholding-at the end of the year- 31st March 2020	**105,136,968**	**74.35**		

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 (01.04.2019)	% of total shares of the Company	Date	Increase/ Decrease on Shareholding	Reason	Cumulative Shares during the year/at the end of year if no change	% of total shares of the Company during the year
1	Life Insurance Corporation of India	5,345,785	3.78	No Change			5,345,785	3.78
2	Teesta Retail Pvt Ltd	3,579,056	2.53	No Change			3,579,056	2.53
3	Rakesh S Gupta	1,123,666	0.79				1,123,666	0.79
				5/31/2019	(91,788)	Sale	1,031,878	0.73
				6/14/2019	(41,376)	Sale	990,502	0.70
				6/21/2019	(86,882)	Sale	903,620	0.64
				6/28/2019	(200,000)	Sale	703,620	0.50
				7/19/2019	(107,000)	Sale	596,620	0.42
				7/19/2019	(200,000)	Sale	396,620	0.28
				7/26/2019		Buy	396,620	0.28
				7/26/2019	151,000	Buy	547,620	0.39
				9/13/2019	95,889	Buy	643,509	0.46
				2/28/2020	18,500	Buy	662,009	0.47
				3/6/2020	14,297	Buy	676,306	0.48
				3/13/2020	5,703	Buy	682,009	0.48
				3/20/2020	7,413	Buy	689,422	0.49
				3/20/2020	68,000	Buy	757,422	0.54
				3/27/2020	15,000	Buy	772,422	0.55
				3/27/2020	40,000	Buy	812,422	0.57
								0.00
				At the end			812,422	
4	Rajesh Rameshchandra Shah	0	-	3/20/2019	20,000	Buy	20,000	0.01
				3/27/2019	20,000	Buy	40,000	0.03
				3/27/2019	575,130	Buy	615,130	0.44
5	Konark Fixures Ltd.	15,000	0.01	12/13/2019	421,739	Buy	436,739	0.31
6	Dilipkumar Lakhi	522,295	0.37	No Change			522,295	0.37
7	Sikkim Janseva Pratishthan Pvt Ltd.	390,000	0.28	No Change			390,000	0.28
8	Vishanji Shamji Dedhia	375,000	0.27	7/19/2019	28,800	Buy	403,800	0.29
				8/2/2019	10,000		413,800	0.29
				9/13/2019	1,200		415,000	0.29
				11/19/2019	15,000		430,000	0.30
9	MKJ Enterprises Limited	294,366	0.21	No Change			294,366	0.21
10	Manish Satyanarayan Nuwal	283,456	0.20	12/13/2019	15,698	Buy	299,154	0.21

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, 2019		*date wise increase/ decrease	increase/ decrease in shareholding	Reason	Date wise Cumulative Shareholding during the year-if movement / Shareholding at the end of year (31-03-2020) , if no change.	
		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	11786730	8.34	No movement during the year			11786730	8.34
2	Rajesh V Shah -- Co-Chairman & Managing Director	7202007	5.09	No movement during the year			7202007	5.09
3	Suketu V Shah- Jt. Managing Director	45381	0.03	No movement during the year			45381	0.03
4	Amit Yadav - Indpendent Director	700	0.00	11/22/2019	400.00	Market Purchase	1100	0.00
5	Bharti R. Gandhi - Indpendent Director	5000	0.00	No movement during the year			5000	0.00
6	Prakash V. Mehta -Independent Director	0	0.00	No movement during the year			0	0.00
7	Pratap V. Ashar - Director & Advisor-Administration	10	0.00	Nil movement during the year			10	0.00
8	R. Sankaran-Independent Director	507	0.00	Nil movement during the year			507	0.00
	Key Managerial Personnel							
1	Umesh V. Joshi-Chief Financial Officer	10	0.00	No movement during the year			10	0.00
2	K. J. Mallya-Company Secretary	400	0.00	No movement during the year			400	0.00
3	A. M. Kulkarni-Chief Executive Officer	3520	0.00	No movement during the year			3520	0.00

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR				(Rs. in crore)
i. Principal Amount	499.43	1,759.13	116.51	2,375.07
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2.14	18.61	7.76	28.51
Total (i+ii+iii)	**501.57**	**1,777.74**	**124.27**	**2,403.58**
CHANGES IN INDEBNESS DURING THE FINANCIAL YEAR				
*Addition	254.46	110.83	-	365.29
*Reduction	(99.99)	-	(30.00)	(129.99)
Net Change	**154.47**	**110.83**	**(30.00)**	**235.30**
INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR				
i. Principal Amount	616.82	1,869.96	48.82	2,535.60
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2.78	38.22	3.50	2,535.60
Total (i+ii+iii)	**619.60**	**1,908.18**	**52.32**	**2,580.10**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr No	Particulars of Remuneration (Rs. in crore)	Name of MD/WTD/Manger				Total Amount
	(FY: 2019-20)	Niraj Bajaj Chairman & Managing Director	Rajesh V Shah Co-Chairman & Managing Director	Suketu V Shah Joint Managing Director	Pratap V. Ashar Whole Time Director	
1	**Gross Salary**					(Rs. in crore)
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	1.11	0.96	0.99	0.10	3.16
	(b) Value of perquisites u/s.17(2) of Income tax Act, 1961	0.09	0.24	0.23	0.01	0.57
	(c) Profits in liue of salary under section 17(3) Income tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- other, specify	-	-	-	-	-
5	Others, Allowance-please specify	-	-	-	-	-
	TOTAL remuneration - (A):(1+2+3+4+5)	**1.20**	**1.20**	**1.22**	**0.11**	**3.73**
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013 due to inadequacy of profit				

B. Remuneration to other directors:

Sr No	Particulars of Remuneration	Name of Director						
	(FY: 2019-20)	Dhirajlal S Mehta	N. C. Sharma	Prakash V. Mehta	Amit Yadav	Bharti R Gandhi	R. Sankaran	Total
1	**Independent Directors**	(Rs. in crore)						
	Fee for attending board / committee meetings	-	0.02	0.03	0.04	0.02	0.03	0.14
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	TOTAL (1)	**-**	**0.02**	**0.03**	**0.04**	**0.02**	**0.03**	**0.14**
2	**Other Non-Executive Directors**							
	Fee for attending board / committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	TOTAL (2)	**0**	**0**	**0**	**0**	**0**	**0**	**-**
3	**Total Managerial Remuneration TOTAL (B) = (1+2)**	**0**	**0.02**	**0.03**	**0.04**	**0.02**	**0.03**	**0.14**
	Overall Ceiling as per the Act	Not Applicable						

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

Sr No	Particulars of Remuneration	Key Managerial Personnel (FY: 2019-20)			
		A. M. Kulkarni CEO	K. J. Mallya Company Secretary	Umesh V. Joshi CEO and Company Secretary	Total
					(in Rs. Crore)
1	**Gross Salary**	0.82	0.36	0.35	1.53
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	0.01	0.01	0.01	0.03
	(b) Value of perquisites u/s.17(2) of Income tax Act, 1961	-	-	-	-
	(c) Profits in liue of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	**Stock Option**	-	-	-	-
3	**Sweat Equity**	-	-	-	-
4	**Commission**	-	-	-	-
	- as % of profit	-	-	-	-
	- other, specify	-	-	-	-
5	**Others, please specify**	-	-	-	-
	TOTAL (1+2+3+4+5)	**0.83**	**0.37**	**0.36**	**1.56**

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, June 27, 2020

Brief description of 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 every meeting of Committee of the Board (other than that of Audit Committee) and of Independent Directors of the Company.

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.

The weblink of the policy to access the same on the website of the company is: http://www.mukand.com/wpcontent/uploads/2015/09/9.Remuneration-and-evaluation-policy.pdf.

(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:

1. For Board & Committees of the Board

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

b. Frequency of Meetings and attendance thereat;

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

d. Monitoring the effectiveness of corporate governance practices; and

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).

2. 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; and

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

(IV) Policy on Materiality of Related Party transactions

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. Payment made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed two percent of the annual consolidated turnover as per the last audited financial statements of the company.

d. 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 detailed policy on Materiality of Related Party transactions covering above can also be accessed on the Company's website under the weblink: http://www.mukand.com/wp-content/uploads/2015/09/2.-Policy-on-RPTs-and-materiality-of-transactions.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 subsidiary' shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

The detailed policy on above can also be accessed on the Company's website under the weblink:www.mukand.com/investor/others/policeshttp://www.mukand.com/wp-content/uploads/2019.

(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, June 27, 2020.

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:

   Company has not entered into any contract or arrangements or transactions with its related parties which is not at arm's length during the financial year 2019-20.

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),Subsidiary company	Mukand Sumi Special Steel Ltd. (MSSSL),Subsidiary company
(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	Arm's length basis in the ordinary course ofbusiness and credit period of 5 days, Transactionsvalue for FY: 2019-20 was Rs. 468 crore	Arm's length basis and credit period of 7days. Transactions value for FY: 2019-20 was Rs. 1383 crore
(e)	Date(s) of approval by the Board	In the first quarter meeting of the Board	In the first quarter meeting of the Board
(f)	Amount paid as advances, if any	--	--

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, June 27, 2020

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

A. Conservation of Energy

i) Energy Conservations Measures taken:

Steel Plant:

(a) For reduction in consumption of electrical energy:

* Design modification of condenser cooling system.
* Replaced Low Watts LED fittings in place of high Watts shed fittings
* Installation of energy efficient pumps at :
  - UHPF Pump House,
  - Bar Mill
  - Wire Rod Mill
  - Caster for mould and spray cooling.
* Installation of VFD in Sinter Cooler Motor and Secondary mixing drum.

(b) Fuel :

Steps taken to reduce Fuel Consumption:

* Reduction in consumption of Metallurgical Coke through increased Pulverized Coal Injection.
* Heating of Bloom Caster by efficient Ventury in place of bent gas cutting torches.
* Installation of highly Efficient Recuperators in Heat Treatment Furnaces.
* Efficient planning of process Ladles to avoid additional heating.
* Installation of pneumatic oil and air-controlled unit in place of modulating moor control.
* Improved of fuel efficiency in Sinter Plant.

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

Increase in use of:

- Wind energy.
- Solar energy.

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

Sr. No.	Item Description	Rs. in Cr.
1	Energy Efficient Pump for UHPF	0.20
2	Energy Efficient Pumps in Caster	0.43
3	VFD in Sinter Cooler	0.02
4	VFD in Secondary Mixing Drum	0.02
	TOTAL	**0.67**

B. Technology, absorption, adoption and innovation

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

* Mist lubrication cooling of Fixed Line Guide rollers to ensure free movement during rolling in the wire rod mill for improving surface quality of rolled products.
* Inclusion characterization and compositional analysis by use of Scanning Electron Microscope with EDS arrangement to improve cleanliness of steel and modifying inclusion morphology.
* Installation of higher efficiency hydraulic drilling machine to maintain strong tap hole.
* Direct use of EOF slurry in the Sinter Plant.

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

* Development of special steel grades for new applications for automotive industry and thereby increased market share.
* Cost effective solutions to customers by supporting alternate and cheaper process route.
* Reduction in manual lancing and poking of tap hole.
* Reduction in consumption of limited natural resources by use of plant waste.

iii) Imported technology:

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

iv) Expenditure on R&D:

Description	2019-20 (Rs. in Crore)	2018-19 (Rs. in Crore)
Capital	**0.03**	-
Recurring	**0.23**	0.35
Total	**0.26**	0.35
R&D expenditure as a % of total turnover	**0.01**	0.01

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

* Steel for Taper Rollers, Needle Rollers, Two-Wheeler Transmission, Shafts of two-wheeler, components of heavy commercial vehicles, bearings and crank shaft.
* Welding Electrode grade wire rods for export market.
* Case carburizing steel with hire hardenability for applications in new generation hybrid passenger vehicles.
* Austenitic high Nickel-Chrome-Molybdenum stainless steel with improved corrosion resistance for seamless tube applications.
* Steel for automotive exhaust application.
* High machining steel for auto components applications.
* Urea Grade steel for seamless pipe applications.

C. Foreign Exchange Earnings and Outgo:

Sr. No.	Description	2019-20 (Rs. in Crore)
i.	Foreign Exchange Earnings	134.15
ii.	CIF value of imports	915.72
iii.	Expenditure in Foreign Currency	4.85

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, June 27, 2020

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 Subsidiary
		Mukand Global Finance Ltd	**Vidyavihar Containers Ltd**	**Adore Traders & Realtors Pvt Ltd.**	**Mukand International FZE**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1-4-2019 to 31-3-2020	1-4-2019 to 31-3-2020	1-4-2019 to 31-3-2020	1-4-2019 to 31-3-2020
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries				USD (USD 1 = 75.665)
3.	Share Capital	11.75	119.77	0.05	9.03
4.	Reserves and Surplus	18.24	(169.86)	(18.11)	8.94
5.	Total Assets	186.15	5.44	96.34	41.43
6.	Total Liabilities	156.16	55.53	114.40	23.46
7.	Investments	0.50	-	-	-
8.	Turnover *	22.99	3.11	8.19	239.76
9.	Profit before taxation *	1.30	2.81	(2.73)	2.33
10.	Provision for taxation *	0.45	0.29	-	-
11.	Profit after taxation *	0.85	2.52	(2.73)	2.33
12.	Proposed Dividend / Dividend paid	-	-	-	0.77
13.	% of shareholding	100	100	100	100

* In case of foreign subsidiary, translated at average Exchange Rate of USD 1 = 71.04

Notes:

1. Names of Subsidiaries which are yet to commence operations - Nil
2 Names of Subsidiaries which have been liquidated or sold during the year - Mukund International Limited.

Form AOC-I

Part "B": Associates and Joint Ventures

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

Rs.Crore

Sr. No.	Name of Associates/Joint Ventures	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
		Associate	**Associate**	**Associate**	**JV**	**JV**	**JV**
1.	Latest Auditied Balance Sheet date	31.3.2020	31.3.2019	31.3.2019	31.3.2020	31.3.2020	31.3.2020
2	Shares of Associates/Joint Ventures held by the Company on the year end						
	No.	4,539,781	39,800	6,678,600	97,504	13,923,000	21,208,729
	Amount of Investment in Associates/Joint Ventures - Rs.Cr.	19.78	Nil*	Nil*	Nil*	163.56	0.17
	Extent of Holding %	36.11	33.17	48.30	39.00	51	51
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
4.	Reason why the associate/joint venture is not consolidated.						
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	(5.27)	Nil*	Nil*	Nil*	133.48	927.97
6.	Profit/Loss for the year.	(31.59)	-	-	-	(18.24)	(76.22)
i.	Considered in Consolidation	(11.41)	-	-	-	0.88	(39.85)
ii.	Not Considered in Consolidation.	-	-	-	-	-	-
	* As provision for diminution in value of investments has been considered while consolidating the financial statement.						
	1. Names of associates or joint ventures which are yet to commence operations - Nil.						
	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.22.99 cr as compared to Rs.28.13 cr in the previous year. Profit after tax is at Rs.0.85 cr as compared to Rs.1.70 cr in the previous year.

2. **Vidyavihar Containers Ltd (VCL):**

   During the year under review, income from operations is Rs. 3.11 cr as compared to Rs. Nil in the previous year. Profit after tax is at Rs.2.52 cr as compared to Loss of Rs. 9.42 cr in the previous year.

3. **Mukand International FZE (MIFZE):**

   MIFZE trades in steel products and inputs for manufacture of steel world wide. Turnover during the year is USD 3.37 cr as compared to USD 4.09 cr in the previous year. Net profit for the year is USD 0.01 cr as compared to USD 0.03 cr in the previous year. Its Board has proposed a dividend of USD 1,02,188 for the year under review as against USD 2,04,375 in the previous year.

4. **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. 44.84 cr as compared to Rs.55.04 cr in the previous year. Loss for the year is Rs. 31.59 cr as compared to Rs. 22.37 cr in the previous year on account of lower turnover resulting in shortfall in the absorption of overheads.

5. **Bombay Forgings Ltd (BFL):**

   Revenue from operations and other income is at Rs.1.55 cr as compared to Rs.17.32 cr in the previous year. Loss for the year was at Rs. 31.49 cr as compared to Rs.14.82 cr in the previous year. This was mainly on account of slump in the market for forgings. These figures are from unaudited Financials of this associate.

6. **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.

7. **Hospet Steels Ltd (HSL):**

   HSL is an outcome of a strategical alliance between Kalyani Steels Limited and Mukand Ltd to manage and operate the composite manufacturing facility at Ginigera, Karnataka. Actual expenses incurred by HSL for carrying out its objectives are reimbursed by alliance constituents. In view of the same, no service charges are recovered by HSL. During the year it claimed reimbursement of Rs. 124.43 cr from the constituents and its profit/(loss) for the year after tax was Rs. NIL as against (0.03) cr in the previous year.

8. **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 and other income is Rs.704.47 cr as compared to Rs.815.56 cr in the previous year. Profit/(Loss) after tax is at Rs. (18.32) cr as compared to Rs. 7.25 cr in the previous year.

9. **Mukand Sumi Special Steel Ltd (MSSSL):**

   MSSSL is a joint venture with Sumitomo Corporation, Japan in the business of manufacturing and marketing alloy steel bars and rods. Revenue from operation and other income for the year is Rs. 1,412.91 cr and Loss after tax is Rs. (75.92) cr as against 2,059.22 cr and Profit after tax of Rs.29.90 cr in the previous year.

On behalf of the Board of Directors,

Niraj Bajaj Chairman & Managing Director	**Rajesh V. Shah** Co-Chairman & Managing Director	**Suketu V. Shah** Joint Managing Director
A.M. Kulakrni Chief Executive Officer	**Umesh V. Joshi** Chief Financial Officer	**K. J. Mallya** Company Secretary

Mumbai, June 27, 2020.

Disclosure of Managerial Remuneration under Section 197 of Companies Act, 2013 read with Rule 5 (1) and (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1.1 The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the Financial Year ending 31.03.2020 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the 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	21.81:1	0%
Rajesh V Shah Co-Chairman & Managing Director	21.77:1	0%
Suketu V Shah Joint Managing Director	22.23:1	3% *
Whole-time Director:		
Pratap V Ashar Director & Advisor – Administration	1.63:1	-7%
Key Management Personnel:		
A.M. Kulkarni, Chief Executive Officer	N.A.	-21% **
Umesh V. Joshi Chief Financial Officer	N.A.	-10.40%
K.J. Mallya, Company Secretary	N.A.	-23%

* Includes leave encashment of Rs.0.08 crore.
** Includes leave encashment of Rs.0.04 Cr.

1.2 The percentage increase in the median remuneration of employees in the Financial Year:

The percentage decrease in the median remuneration of employees in the Financial Year is 18%.

1.3 The number of permanent employees on the rolls of the company as on

March 31, 2020 - 1,628.

1.4 The average percentile decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average percentage decrease in the salaries of employees other than the managerial personnel in the last financial year was 14% and the percentage decrease in the managerial remuneration was at 19%.
- Company's total revenue was Rs. 2,871 crore for the year under review as compared to Rs. 3,667 crores in the previous year. Company incurred loss after tax of Rs. 195.57 crore as compared to such loss of Rs. 84.11 crore for the previous year.

1.5 The key parameters for any variable component of remuneration availed by the directors:

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

1.6 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.

1.7 Details of top 10 or such employees in terms of remuneration drawn during the year, where employed throughout the financial year, in receipt of remuneration for the year which, in the aggregate, was not less that Rs. 1,02,00,000/- and where employed for any part of the year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month:

Sr. No.	Employee Name	Designation	Educational Qualifications	Age	Experience in years	Gross Remuneration in F.Y. 2019-20 (Rs. In crore)	Previous Employment & Designation
1	Niraj Bajaj	Chairman & Managing Director	B.Com., M.B.A. (Harvard Business School)	65	39	1.32	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)	68	43	1.31	Director, Virani Fasteners & Bolts Pvt Ltd.
3	Suketu V. Shah	Joint Managing Director	B.Com., M.B.A. (Harvard Business School)	65	38	1.34	Executive Director Adonis Laboratories Pvt. Ltd.

Except for the above, none of the employees, employed throughout the year were in receipt of remuneration of more than Rs.1.02 crore per annum and employed for part of the year, were in receipt of remuneration of more than Rs.8.50 lacs per month.

The employees mentioned above have/had permanent contracts with the company.

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

Apart from the above, none of the employee mentioned above are neither relatives of any directors of the Company, nor hold 2% or more share of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

On behalf of the Board of Directors,

Niraj Bajaj
Chairman & Managing Director

Rajesh V. Shah
Co-Chairman & Managing Director

Mumbai, June 27, 2020

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020.

(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,
Jamnalal Bajaj Marg,
226 Nariman Point,
Mumbai – 400021.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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, 2020 according to the provisions of:

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

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

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

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

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, 2018;

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;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2019;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018;

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

OTHER APPLICABLE LAWS:

i) The Indian Highways Act, 1956

ii) The Legal Metrology Act, 1999

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 Auditors 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, Independent Directors and a Woman Director. 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 in accordance with the timeline stipulated under the Companies Act, 2013.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minute book, while the dissenting members' views, if any, are captured and recorded as a part of the minutes.

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

We further report that during the audit period:

1. The Finance Committee of the Board in its meeting held on May 18, 2019 has increased the limit of acceptance of Inter Corporate Deposits (ICDs) to borrow short term money from limited companies, financial institutions, and other corporate bodies, up to an overall limit of Rs.2,000,00,00,000/- (Rupees Two Thousand Crores Only)

2. During the financial year under review, the Company has reclassified its existing Authorised Share Capital consisting of Rs. 1,60,00,00,000 (Rupees One Hundred and Sixty Crores Only) divided into 70,00,000 (Seventy Lakhs) Preference shares of Rs. 10/- (Rupees Ten Only) each and 15,30,00,000 (Fifteen Crores Thirty Lakhs) Equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 1,60,00,00,000 (Rupees One Hundred and Sixty Crores Only) divided into 1,20,00,000 (One Crore Twenty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten Only) each and 14,80,00,000 (Fourteen Crores Eighty Lakhs) Equity shares of Rs. 10/- (Rupees Ten Only) each.

3. The Preference Share Issue Committee of the Board of Directors, in its meeting held on September 24, 2019, allotted 56,26,320 (Fifty Six Lakhs Twenty Six Thousand Three Hundred and Twenty) 8% Cumulative

Redeemable Preference Shares("8% CRPS") of Rs. 10/- (Rupees Ten Only) each to Bacchraj and Company Private Limited and Jamnalal Sons Private Limited.

4. With respect to 56,26,320 (Fifty Six Lakhs Twenty Six Thousand Three Hundred and Twenty)0.01% Cumulative Redeemable Preference Shares ("CRPS") of Rs.10/- (Rupees Ten Only) each, issued by the Company pursuant to the financial restructuring package approved by the Corporate Debt Restructuring (CDR) Cell in the year 2003, the 1st instalment of Rs. 2/- (Rupees Two Only) per CRPS was redeemed by the Company on September 27, 2019 out of the proceeds of fresh issue of 56,26,320 (Fifty Six Lakhs Twenty Six Thousand Three Hundred and Twenty) 8% Cumulative Redeemable Preference shares of Rs.10/- (Rupees Ten Only) each."

5. The Scheme of Amalgamation by absorption, pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, amongst Adore Traders & Realtors Private Limited (a step down subsidiary of the Company), Mukand Global Finance Limited (Wholly Owned Subsidiary), Mukand Engineers Limited (Associate Company), and Mukand Limited and their respective shareholders and creditors has been approved by the equity shareholders, preference shareholders and unsecured creditors in their respective National Company Law Tribunal, Mumbai Bench("NCLT") convened meetings held on November 28, 2019.

6. The Board of Directors of the Company in its meeting held on February 14, 2020,with the objective of consolidation of alloy steel business in Mukand Sumi Special Steel Limited ("MSSSL") has considered and approved a draft framework agreement ("Framework Agreement"),to be executed amongst Mukand Limited ("the Company/ Mukand"), Sumitomo Corporation, Japan ("Sumitomo"), Mukand Sumi Metal Processing Limited ("MSMPL") and MSSSL, subject to receipt of statutory and regulatory approvals. Mukand and Sumitomo hold 60.07% and 39.93% equity share capital of MSMPL and 51% and 49% equity share capital of MSSSL respectively.

   The Framework Agreement contains transactions as detailed below: -

   a. **Step 1: Sale of 9.07% equity shares of MSMPL by the Company to Sumitomo**

      Mukand to sell 24,77,000 (Twenty Four Lakhs Seventy Seven Thousand) fully paid up equity shares of Rs. 10/- (Rupees Ten Only) each (9.07% of equity share capital) of MSMPL to Sumitomo pursuant to a share purchase agreement, to be executed between Mukand and Sumitomo for a consideration of Rs. 32,20,10,000 (Rupees Thirty Crore Twenty Lakhs Ten Thousand Only) to be paid by Sumitomo to the Company. Post such sale MSMPL shall continue to be a subsidiary of Mukand, with Mukand holding 51% of equity share capital and Sumitomo, other JV partner, holding balance 49% of equity share capital of MSMPL.

   b. **Step 2: Demerger of Alloy Steel business of MSMPL to MSSSL**

      Special Alloy Steel Bright Bars and Wires Business ("Alloy Steel Business") of MSMPL is proposed to be demerged into MSSSL ("Demerger") as a going concern, pursuant to a draft scheme of arrangement ("Scheme"), to be entered amongst MSMPL, MSSSL and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013.

   c. **Step 3: Acquisition of Balance 49% equity shares of MSMPL by Mukand from Sumitomo.**

      Post completion of the aforementioned demerger, Mukand Limited shall purchase 1,33,77,000 (One Crore Thirty Three Lakhs Seventy Seven Thousand) equity shares (49% of equity share capital) of MSMPL from Sumitomo on such terms and conditions as may be mutually agreed amongst the parties. After the acquisition, Mukand will hold 100% equity shares of MSMPL having only stainless steel bright bars and wire business.

      Kindly note that the points a, b and c forming part of Framework Agreement are subject to statutory and regulatory approvals as may be required from time to time in this regard.

7. In accordance with the terms of above framework agreement and share purchase agreement, Mukand has sold its 24,77,000 (Twenty Four Lakhs Seventy Seven Thousand) fully paid up equity shares of Rs. 10/- (Rupees Ten Only) each (9.07% of equity share capital) of Mukand Sumi Metal Processing Limited to Sumitomo Corporation, as on 31.03.2020.

FOR **ANANT B KHAMANKAR & CO.**

ANANT KHAMANKAR
FCS No. – 3198
CP No. – 1860
UDIN: F003198B000391234

Mumbai, June 27, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Mukand Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

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 Companies Act, 2013 ("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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Appropriateness of estimation of cost to complete the project

The Company generates part of its revenue from long term construction / project related activity and contracts for supply / commissioning of plant and equipment which is accounted under the percentage of completion method (POC), which is the proportion of cost of work performed to-date, to the total estimated contract costs.

Determination of revenue requires estimation of total contract costs which is done based on the actual cost incurred till date and the cost required to be incurred to complete the projects. The estimation of cost to complete involves exercise of significant judgment by the management and assessment of project data, estimates related to future costs and assumptions.

This has been considered as a key audit matter given the involvement of management judgment and any variation may have consequential impact on the revenue recognised by the Company as per percentage of completion method.

How our audit addressed the Key Audit Matter:

We have performed the following procedures among others:

a) Understood and evaluated the design and tested the operating effectiveness of controls around estimation of costs to complete the project including the review and approval of estimated project cost.

b) Verified the contracts on test check basis entered by the Company for the consideration and relevant terms and conditions relating to variations to the cost.

c) Obtained computation of estimated costs to complete the project and the percentage of project completion and verified the same against the contractual terms and the work orders placed with vendors.

d) Verified original invoices, purchase orders, receipts, etc. for the actual costs incurred upto the year end date on test check basis.

e) Discussed the status of the projects with the Company's project management team and evaluated the reasonableness of the estimates made by the management of costs to be incurred for completion of the respective projects.

f) Verified the revision in total cost of the contracts by comparing the management estimates revised during the current year with the estimate made in earlier years and obtained reasons for such revision including verification of correspondence with the vendors in case of renegotiation of prices with them and the approvals for the same.

Emphasis of Matter

We draw attention to the following matters in the notes to standalone Ind AS financial statements:

Note 41 to the standalone Ind AS financial statements, which explains the uncertainties and the management's evaluation of the operational and financial impact on the Company due to lockdown and other restrictions on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

Note 12(b) to the standalone Ind AS financial statements, relating to exposures in Bombay Forging Limited ("BFL") aggregating Rs. 38.18 crores (net of provision for expected credit loss) as at March 31, 2020. The management, barring any significant uncertainties in future, has considered the value of unencumbered fixed assets and current assets of BFL for the balance portion of exposure in BFL.

Our opinion is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion & Analysis, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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, that were operating effectively for ensuring 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Due to the COVID-19 related lockdown restrictions imposed by the government, management was able to perform year end physical verification of inventory only at selected location. However, we were unable to physically observe the verification of inventory that was carried out by the management. Consequently, we have performed alternate audit procedures to obtain comfort over the existence of inventory at year end, as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this statement.

Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) 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.

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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36(a) on Contingent Liabilities to the standalone Ind AS financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standard, 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 transfered, 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
UDIN: 20034828AAAADI2245

Place: Mumbai
Date: June 27, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. However it is in the process of updating the same for accumulated depreciation and net block of property, plant and equipment.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties recorded as property, plant and equipment in the books of account of the Company are held in the name of the Company.

(ii) The inventory (excluding material in transit) has been physically verified by the management during the year. 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) The Company has granted unsecured loans, to Adore Traders and Realtors Private Limited ("Adore") and Mukand Engineers Limited ("MEL"), parties covered in the register maintained under Section 189 of the Act.

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company. Further the reference has been drawn to Note 40 of the standalone Ind AS financial statements of the Company regarding the proposed scheme of amalgamation. The Appointed Date for amalgamation is April 01, 2019. The Scheme is pending approval of NCLT. Upon the Scheme becoming effective, all the inter-company loans shall come to an end and corresponding effect shall be given in the books of account and records of the Company for the reduction of assets.

(b) The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts are regular wherever stipulated.

(c) In respect of the aforesaid loans, there is no overdue amount of loans remaining outstanding as at the year-end.

(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 Sections 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, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in payment of tax deducted at source, goods and service tax which have not been serious. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

According to the information and explanations given to us, no undisputed dues in respect to provident fund, employees' state insurance, income tax, goods and service tax, customs 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 Crore)	Period to which the amount relates	Forum where dispute is pending
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
Sales Tax	Local Sales Tax, Central Sales Tax	0.021	1988-89, 1989-90	Tribunal
Sales Tax	Local Sales Tax, Central Sales Tax	0.018	1989-90, 1990-91, 1991-92, 1996-97, 1998-99	Deputy Commissioner Appeal
Sales Tax	Local Sales Tax, Central Sales Tax	0.033	2012-13	Commercial Tax Tribunal
UP Trade Tax	UP Trade Tax	0.043*	2001-02	Additional Commissioner (Appeal)
Trade Tax and Entry Tax	UP Trade Tax and Entry Tax	0.074*	2001-02	High Court
Entry Tax	Entry Tax	0.109	2002-03	Additional Commissioner (Appeal)
UP Trade Tax	UP Trade Tax	0.538*	2004-05	Tribunal
UP Trade Tax	UP Trade Tax	0.440*	2005-06	Tribunal
Entry Tax	Entry Tax	0.022*	2003-04	Additional Commissioner (Appeal)
UP Trade Tax	UP Trade Tax	0.210*	2006-07	Additional Commissioner (Appeal)
UP Trade Tax	UP Trade Tax	0.503*	2007-08	Additional Commissioner (Appeal)

* 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 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 sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has made private placement of partly paid up 8% Cumulative Redeemable Preference Shares (CRPS) to Promoter Group entities during the year and in our opinion, the requirement of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(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
UDIN: 20034828AAAADI2245

Place: Mumbai
Date: June 27, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our 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, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mukand Limited ("the Company") as of March 31, 2020 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 with reference to financial statements 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 20034828AAAADI2245

Place: Mumbai
Date: June 27, 2020

Balance Sheet As At 31st March, 2020

				Note No.		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
I	**ASSETS**						
	(A)	**Non Current Assets**					
		(1)	**Property Plant & Equipment, Capital Work-in-Progress, Intangible Assets & Right of Use Assets**	3			
		(a)	Property Plant & Equipment		**466.60**		505.19
		(b)	Capital work-in-progress		**23.92**		19.96
		(c)	(i) Intangible assets		**0.08**		0.09
			(ii) Intangible assets under Implementation		**6.29**		2.95
					6.37		3.04
		(d)	Right of use assets		**48.86**		-
						545.75	528.19
		(2)	**Financial Assets**				
		(a)	Investments	4	**1,428.62**		1,453.10
		(b)	Other Financial Assets	5	**15.45**		15.67
						1,444.07	1,468.77
		(3)	**Deferred Tax Assets (net)**	6		**18.18**	-
		(4)	**Income Tax Assets**	7		**50.57**	48.84
		(5)	**Other non-current assets**	8		**67.01**	78.31
			Total (A)			**2,125.58**	2,124.11
	(B)	**Current Assets**					
		(1)	**Inventories**	9		**1,367.46**	1,254.10
		(2)	**Financial Assets**				
		(a)	Trade receivables	10	**420.32**		443.39
		(b)	Cash & Cash Equivalents and Other Bank Balances	11			
			(i) Cash & Cash Equivalents	11.1	**0.92**		0.78
			(ii) Bank Balances other than (i) above	11.2	**66.07**		58.87
					66.99		59.65
		(c)	Loans	12	**109.60**		69.63
		(d)	Other Financial Assets	13	**177.63**		276.30
			Total (2)			**774.54**	848.97
		(3)	**Other Current Assets**	14		**141.42**	151.02
			Total (B)			**2,283.42**	2,254.09
			Total - Assets			**4,409.00**	4,378.20
II	**EQUITY AND LIABILITIES**						
	II.1	**Equity**					
		(a)	Share Capital	15	**141.42**		141.42
		(b)	Other Equity	16	**715.60**		912.03
						857.02	1,053.45
	II.2	**Liabilities**					
		(A)	**Non Current Liabilities**				
			(1) Financial Liabilities				
			(a) Borrowings	17	**1,894.16**		1,564.47
			(b) Other Financial Liabilities	18			4.00
			Total (1)			**1,894.16**	1,568.47
			(2) Provisions	19		**33.42**	32.93
			(3) Deferred Tax Liabilities (net)	6		**-**	41.44
			Total (A)			**1,927.58**	1,642.84
		(B)	**Current Liabilities**				
			(1) Financial Liabilities				
			(a) Borrowings	20	**566.74**		664.69
			(b) Trade payables				
			Dues to Micro Enterprises and Small Enterprises		**4.81**		3.67
			Other than to Micro Enterprises and Small Enterprises		**770.60**		760.17
				21	**775.41**		763.84
			(c) Other Financial Liabilities	22	**159.54**		198.22
			Total (1)			**1,501.69**	1,626.75
			(2) Other Current Liabilities	23		**112.67**	45.63
			(3) Provisions	24		**10.04**	9.53
			Total (B)			**1,624.40**	1,681.91
			Total Equity & Liabilities			**4,409.00**	4,378.20
	Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements			1 to 47			

As per our attached report of even date

For and on behalf of Board of Directors

For Haribhakti & Co. LLP	**Niraj Bajaj**	**Rajesh V Shah**	**Suketu V Shah**
Chartered Accountants	Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
ICAI FR No. 103523W / W100048	DIN : 00028261	DIN : 00021752	DIN : 00033407
Sumant Sakhardande	**Umesh V Joshi**	**A M Kulkarni**	**K J Mallya**
Partner	Chief Financial Officer	Chief Executive Officer	Company Secretary
Membership No. 034828			
Mumbai, June 27, 2020	Mumbai, June 27, 2020		

Statement of Profit and Loss for the year ended 31st March, 2020

			Note No.		2019-20 Rs. in crore	2018-19 Rs. in crore
I	**Revenue from Operations**		25		**2,818.38**	3,587.64
II	**Other Income**		26		**52.23**	79.34
III	**Total Revenue (I) + (II)**				**2,870.61**	3,666.98
IV	**Expenses**					
	(a)	Cost of Materials Consumed	27		**1,564.91**	1,953.43
	(b)	Purchase of Stock in Trade			**0.03**	11.60
	(c)	Changes in inventories of Finished Goods and Work-in-Progress / Contracts in Progress & Stock-in Trade	28		**(26.03)**	(17.97)
	(d)	Employee benefits expense	29		**188.52**	208.38
	(e)	Finance costs	30		**338.11**	303.30
	(f)	Depreciation and amortization expense			**75.41**	58.30
	(g)	Other expenses	31		**988.43**	1,284.08
	(h)	Expenditure transferred to Capital Accounts / Capital Work-in-Progress			**(4.17)**	(1.81)
		Total Expenses			**3,125.21**	3,799.31
V	**Profit before tax (III) – (IV)**				**(254.60)**	(132.33)
VI	**Tax Expense:**		32			
	Deferred Tax (Charge) / Credit				**82.52**	48.22
	Profit/(Loss) for the period before tax adjustments pertaining to earlier years (V) - (VI)				**(172.08)**	(84.11)
	Deferred Tax Charge due to lapsing of business loss				**(23.49)**	-
VII	**Profit/(Loss) for the year**				**(195.57)**	(84.11)
VIII	**Other Comprehensive income (net of tax)**		33			
	Items that will not be reclassified to profit or loss			**3.04**		4.84
	Deferred tax			**(0.79)**		(1.34)
					2.25	3.50
IX	**Total Comprehensive Income for the year (VII) + (VIII)**				**(193.32)**	(80.61)
	Basic and diluted earnings per share (in Rs.)		34		**(13.83)**	(5.95)
	Statement of Significant Accounting Policies adopted by the Company and Notes forming part of the Financial Statements		1 to 47			

As per our attached report of even date

For and on behalf of Board of Directors

For Haribhakti & Co. LLP	**Niraj Bajaj**	**Rajesh V Shah**	**Suketu V Shah**
Chartered Accountants	Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
ICAI FR No. 103523W / W100048	DIN : 00028261	DIN : 00021752	DIN : 00033407
Sumant Sakhardande	**Umesh V Joshi**	**A M Kulkarni**	**K J Mallya**
Partner	Chief Financial Officer	Chief Executive Officer	Company Secretary
Membership No. 034828			
Mumbai, June 27, 2020	Mumbai, June 27, 2020		

Statement of Changes in Equity

A Equity Share Capital

		Rs. in crore
As at	31-Mar-19	141.42
As at	31-Mar-20	141.42

B Other Equity

Rs. in crore

			Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurement of defined benefit obligations	Total
1	As at	31-Mar-19		3.00	100.32	234.78	(102.31)	669.57	6.67	912.03
2	Total Comprehensive Income for the year				(0.09)		(198.59)	1.23	1.02	(196.43)
3	**As at**	**31-Mar-20**		**3.00**	**100.23**	**234.78**	**(300.90)**	**670.80**	**7.69**	**715.60**

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 : 00021752

Suketu V Shah
Joint Managing Director
DIN : 00033407

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, June 27, 2020

Umesh V Joshi
Chief Financial Officer

A M Kulkarni
Chief Executive Officer

K J Mallya
Company Secretary

Mumbai, June 27, 2020

Cash Flow Statement for the year ended 31st March, 2020

Rs. in crore

			2019-20	2019-20	2019-20	2018-19	2018-19	2018-19
A	**Cash Flow arising from Operating Activities**							
	Profit / (Loss) before Tax				**(254.60)**			(132.32)
	Add back :							
	(1)	Depreciation		**75.41**			58.30	
	(2)	Other Non-cash Expenditure/(Income) -(net)		**7.08**			(26.28)	
	(3)	Interest / Lease Charges (net)		**304.31**			253.41	
	(4)	Actuarial Gain on defined benefit obligations		**1.48**			3.20	
					388.28			288.63
					133.68			156.31
	Deduct :							
	(1)	Investment Income		**1.42**			2.34	
	(2)	Surplus/(Loss) on sale of assets -(net)		**1.46**			6.88	
					2.88			9.22
	Operating Profit before Working Capital changes				**130.80**			147.09
	Adjustments for Working Capital Changes							
	(1)	(Increase)/Decrease in Trade Receivables		**7.77**			(140.77)	
	(2)	(Increase)/Decrease in Other Non Current Financial Assets		**0.23**			14.12	
	(3)	(Increase)/Decrease in Other Non Current Assets		**(13.75)**			(5.18)	
	(4)	(Increase)/Decrease in Short Term Loans		**(39.87)**			(21.45)	
	(5)	(Increase)/Decrease in Current Financial Assets Others		**84.66**			307.66	
	(6)	(Increase)/Decrease in Other Current Assets		**9.25**			(22.79)	
	(7)	(Increase)/Decrease in Unpaid Dividend, Margin Money & Deposits		**(7.18)**			(11.42)	
	(8)	(Increase)/Decrease in Inventories		**(113.36)**			(149.08)	
	(9)	Increase/(Decrease) in Trade Payables		**13.31**			(216.64)	
	(10)	Increase/(Decrease) in Current Financial Liabilities Others		**12.27**			(4.47)	
	(11)	Increase/(Decrease) in Other Current Liabilities		**67.05**			(69.76)	
	(12)	Increase/(Decrease) in Non Current Financial Liabilities Others		**(4.00)**			-	
	Net Working Capital changes				**(8.17)**			(319.78)
	Cash Flow from Operations				**122.63**			(172.69)
	Less : Direct taxes paid (net of refunds)				**(1.73)**			0.88
					120.90			(171.81)
	Net Cash Inflow/(Outflow) from Operating Activities				**120.90**			(171.81)
B	**Cash Flow arising from Investing Activities**							
	Inflow							
	(1)	Sale of Fixed Assets		**1.52**			16.81	
	(2)	Dividends received		**1.42**			2.34	
	(3)	Sale of Investments		**32.21**			-	
					35.15			19.15
	Deduct Outflow							
	(1)	Acquisition of Fixed Assets		**19.46**			10.69	
	(2)	Increase in Loans to Subsidiaries and Other Companies		**0.10**			-	
					19.56			10.69
	Net Cash Inflow/(Outflow) from Investing Activities				**15.59**			8.46

Cash Flow Statement for the year ended 31st March, 2020 (Contd.)

Rs. in crore

			2019-20	2019-20	2019-20	2018-19	2018-19	2018-19
C	**Cash Flow arising from Financing Activities**							
	Inflow							
	(1)	Proceeds from issue of Preference Share Capital		**1.13**			-	
	(2)	Increase in Term Loans (net)		**137.26**			-	
	(3)	Increase in Other Unsecured Loans (net)		**43.14**			877.61	
					181.53			877.61
	Deduct Outflow							
	(1)	Decrease in Term Loans - (net)		**-**			301.43	
	(2)	Decrease in Working Capital Loans from Banks - (net)		**19.88**			154.34	
	(3)	Redemption of Preference Share Capital		**1.13**			-	
	(4)	Dividends paid		**-**			0.05	
	(5)	Interest / Lease charges - (net)		**267.47**			268.74	
	(6)	Payment towards Liability against Right of Use Assets		**29.40**			-	
					317.88			724.56
	Net Cash Inflow / (Outflow) from Financing Activities				**(136.35)**			153.05
	Net Increase / (Decrease) in Cash/Cash Equivalents				**0.14**			(10.30)
	Add : Balance at the beginning of the year				**0.78**			11.08
	Cash/Cash Equivalents at the close of the year				**0.92**			0.78

Note : The above cash flow statement has been prepared under ‘Indirect Method’ as set out in Ind AS 7 - 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, June 27, 2020

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN : 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN : 00021752

Suketu V Shah
Joint Managing Director
DIN : 00033407

Umesh V Joshi
Chief Financial Officer

A M Kulkarni
Chief Executive Officer

K J Mallya
Company Secretary

Mumbai, June 27, 2020

(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 - 400021. 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, 2020 were approved by the Board of Directors and authorised for issue on June 27, 2020.

(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 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 Rupees (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.

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 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 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.

Intangible Assets under Implementation includes cost of accounting software under installation / under development as at the balance sheet date.

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

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily consist of leases for land, office premises and machinery. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the lease term. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease Liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. 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.

Preference Instruments are stated at amortised costs.

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

§ Lease Liability

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. 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. The cost formulae used for determination of cost are either 'First in First Out' for raw materials or '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

The Company 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 rendering of comprehensive engineering services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Revenue from sale of products and services is recognised at a time when the performance obligation is satisfied except Revenue from Engineering Contracts where in revenue is recognized over the time from the financial year in which the agreement to sell (containing salient terms of agreement to sell) is executed. The period over which revenue is recognised is based on entity's right to payment for performance completed.

In determining whether Company has right to payment, the Company shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than Company's failure to perform as per the terms of the contract.

The revenue recognition of Engineering Contracts under progress requires forecasts to be made of total budgeted costs with the outcomes of underlying contracts, which further require assessments and judgements to be made on changes in scope of work and other payments to the extent they are probable and they are capable of being reliably measured. However, where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Statement of Profit and Loss.

Revenue from Engineering Contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenues in excess of invoicing are classified as contract assets (which is referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is referred to as unearned revenues). The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Engineering Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event, transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and Company has an enforceable right to payment for performance completed to date.

In case of performance obligations, where any of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Export incentives:

Export Incentives under various schemes are accounted in the year of export.

Interest Income :

Interest income accrues 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 right to receive the payment has 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 an asset may be capitalised and which components of the cost of the assets may be capitalised.

ii. Use of significant judgements in revenue recognition:

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.
- Revenue from Engineering Contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

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.

ix. Leases:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(v) Changes in accounting policies and disclosures:

New and amended standards

The Company applied Ind AS 116 – Leases ('Ind AS 116') for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in Note No. 41 to the standalone financial statements of the Company.

Several other amendments and interpretations apply for the first time in financial year ending March 2020, but do not have an impact on the financial statements of the Company.

(w) Standard issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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

Rs. in crore

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1-Apr-19	Additions/ Adjustments	Deductions/ Adjustments	As at 31-Mar-20	As at 1-Apr-19	For the year	Deductions/ Adjustments	As at 31-Mar-20	As at 31-Mar-20
i) Property Plant & Equipment									
Freehold Land	9.17	-	0.01	9.16	-	-	-	-	9.16
Railway Siding	13.82	-	-	13.82	8.99	1.02	-	10.01	3.81
Buildings and Roads	200.06	0.04	-	200.10	105.42	5.55	-	110.97	89.13
Plant and Machinery	1,229.27	12.26	4.61	1,236.92	837.95	43.68	4.79	876.84	360.08
Furniture, Fixtures, etc.	7.81	0.17	0.27	7.71	5.03	0.43	0.03	5.43	2.28
Office Machinery	2.28	0.07	0.07	2.28	1.82	0.11	0.07	1.86	0.42
Vehicles	4.84	0.20	0.02	5.02	2.85	0.47	0.02	3.30	1.72
Total (i)	**1,467.25**	**12.74**	**4.98**	**1,475.01**	**962.06**	**51.26**	**4.91**	**1,008.41**	**466.60**
ii) Capital Work-in-Progress, expenditure upto date									23.92
iii) Intangible Assets-									
Software	1.64	-	-	1.64	1.55	0.01	-	1.56	0.08
Software under Implementation, expenditure upto date									6.29
Total (iii)	**1.64**	**-**	**-**	**1.64**	**1.55**	**0.01**	**-**	**1.56**	**6.37**
iv) Right of use									
Leasehold Land (Reclassification on account of adoption of Ind AS 116) (Refer Note No. 41)	-	25.38	-	25.38	-	0.33	-	0.33	25.05
Plant & Machinery (Transition impact on account of adoption of Ind AS 116 and addition) (Refer Note No. 41)	-	47.62	-	47.62	-	23.81	-	23.81	23.81
Total (iv)	**-**	**73.00**	**-**	**73.00**	**-**	**24.14**	**-**	**24.14**	**48.86**
Total (i) to (iv)	**1,468.89**	**85.74**	**4.98**	**1,549.65**	**963.61**	**75.41**	**4.91**	**1,034.11**	**545.75**

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

Rs. in crore

		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
PARTICULARS		**As at 1-Apr-18**	**Additions/ Adjustments**	**Deductions/ Adjustments**	**As at 31-Mar-19**	**As at 1-Apr-18**	**For the year**	**Deductions/ Adjustments**	**As at 31-Mar-19**	**As at 31-Mar-19**
i)	Property Plant & Equipment									
	Freehold Land	16.38	-	7.21	9.17	-	-	-	-	9.17
	Railway Siding	13.82	-	-	13.82	7.97	1.02	-	8.99	4.83
	Buildings and Roads	199.36	0.96	0.26	200.06	100.09	5.53	0.20	105.42	94.64
	Plant and Machinery	1,228.17	9.88	8.78	1,229.27	793.45	50.68	6.18	837.95	391.32
	Furniture, Fixtures, etc.	7.70	0.29	0.18	7.81	4.77	0.42	0.16	5.03	2.78
	Office Machinery	2.20	0.17	0.09	2.28	1.82	0.09	0.09	1.82	0.46
	Vehicles	5.01	0.11	0.28	4.84	2.56	0.53	0.24	2.85	1.99
	Total (i)	**1,472.64**	**11.41**	**16.80**	**1,467.25**	**910.66**	**58.27**	**6.87**	**962.06**	**505.19**
ii)	Capital Work-in-Progress, expenditure upto date									19.96
iii)	Intangible Assets-									
	Software	1.64	-	-	1.64	1.52	0.03	-	1.55	0.09
	Software under Implementation, expenditure upto date									2.95
	Total (iii)	**1.64**	**-**	**-**	**1.64**	**1.52**	**0.03**	**-**	**1.55**	**3.04**
Total (i) to (iii)		**1,474.28**	**11.41**	**16.80**	**1,468.89**	**912.18**	**58.30**	**6.87**	**963.61**	**528.19**

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 No. 17 & 20 on borrowings.

(ii) Refer Note No. 36(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Gross Block of Buildings as at March 31, 2020 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, 2019 - Rs. 6.33 crore [including cost of shares in co-operative societies Rs. 7,000/- (March 31, 2019- Rs.7,000/-)].

(iv) Property Plant & Equipment include borrowing costs of Rs. 0.57 crore capitalised during the year (March 31, 2019 Rs. 0.22 crore).

(v) Capital work in progress comprises of Property, Plant & Equipment under construction and pre-operative expenses & interest pending allocation. Intangible assets under implementation includes cost of accounting software under development including directly attributable cost.

(4)	NON-CURRENT INVESTMENTS		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
I	**Investments in Equity instruments :**			
A	**In Subsidiary Companies (Unquoted) : [At FVTOCI]**			
(i)	**Mukand Global Finance Ltd.**			
	11,749,500 Equity Shares of Rs.10/-each, fully paid up			
(ii)	**Mukand International Ltd.**			
	-- (1,000) Ordinary Shares of Stg. Pound 1/- each, fully paid up			
(iii)	**Mukand International FZE**			
	5 Ordinary Shares of AED 1/- million each, fully paid up		**14.64**	13.08
(iv)	**Vidyavihar Containers Ltd**			
	11,976,762 Equity Shares of Rs.100/-each, fully paid up			
	Sub-total - Subsidiary Companies		**14.64**	13.08
B	**In Joint Ventures (Unquoted) : [At FVTPL]**			
(i)	**Mukand Vini Mineral Ltd**			
	852,800 Equity Shares of Rs. 10/- each, fully paid up			
(ii)	**Mukand Sumi Metal Processing Ltd (Refer Note a(iii) below)**			
	13,923,000 (16,400,000) Equity Shares of Rs.10/- each, fully paid up	**180.99**		268.41
(iii)	**Mukand Sumi Special Steel Ltd (earlier known as Mukand Alloy Steels Ltd.)**			
	21,208,729 Equity Shares of Rs.10/- each, fully paid up	**1,212.95**		1,151.57
(iv)	**Hospet Steels Ltd.**			
	70,004 Equity Shares of Rs. 10/- each, fully paid up	**0.07**		0.07
	Sub-total		**1,394.01**	1,420.05
C	**In Associates [At amortised cost] :**			
C.1	**Quoted**			
(i)	**Mukand Engineers Ltd.**			
	4,539,781 Equity Shares of Rs.10/- each, fully paid up		**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
	Less : Provision for diminution in the value of investments	**(13.09)**	**-**	(13.09)
			-	
(ii)	**Bombay Forgings Ltd**			
	28,800 Equity Shares of Rs. 66.67/- each, fully paid up	**0.19**		0.19
			0.19	0.19
	Sub-total		**19.97**	19.97
D	**In Others (Unquoted) : [At FVTPL]**			
(i)	**Credit Capital Finance Corpn 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. 1,000/-]			
(v)	**Mukand Audyogik Yantra P Ltd**			
	1,901 Equity Shares of Rs 10/- each, fully paid up (Rs. 19,010/-) [Previous year Rs. 19,010/-]			
(vi)	**Mukand Heavy Machinery P Ltd**			
	1,901 Equity Shares of Rs 10/- each, fully paid up (Rs. 19,010/-) [Previous year Rs. 19,010/-]			
	Sub-total - Others (Rs. 40,390/-)			
			1,428.62	1,453.10

(4)	NON-CURRENT INVESTMENTS	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
II	**Investments in Preference instruments [At amortised cost] :**		
	100 Preference Shares of Rs. 10/- each, fully paid up (Rs. 45,000/-) [Previous year Rs. 45,000/-] in Mukand Sumi Special Steel Ltd.		
		1,428.62	1,453.10
	Book Value		
	Quoted Investments	**19.78**	19.78
	Unquoted Investments	**1,408.84**	1,433.32
		1,428.62	1,453.10
	Market Value		
	Quoted Investments	**3.09**	7.94

Note : Aggregate diminution in value of Investments Rs. 13.09 crore (31-Mar-19 - Rs. 13.09 crore)

Notes:

(a)

(i) 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 at Fair value through Profit or Loss (FVTPL).

(ii) Accordingly, other income and OCI for the year includes Rs. 14.50 crore (net) and Rs. 1.56 crore (2018-19 - Rs. 23.67 crore and Rs. 1.64 crore) respectively towards change in fair value of non-current investments.

(iii) During the month of March 2020, Company divested 9.07% of equity Share capital held by it in Mukand Sumi Metal Processing Ltd., (MSMPL) to its Joint Venture partner Sumitomo Corporation, Japan. Company now holds 51% in the equity capital of MSMPL. The results for the year of the Company include loss of Rs. 8.34 crore being the difference between sales consideration and the fair value as at March 31, 2019.

(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 subsidiary companies at FVTOCI, the exposure of Rs. 26.25 crores has been accounted through FVTOCI in earlier years.

(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 March 31, 2017. On adoption to measure its non-current investments in equity shares in subsidiary companies at FVTOCI, the balance of Rs. 33.90 crore has been accounted through FVTOCI in earlier years.

(5)	OTHER FINANCIAL ASSETS - NON CURRENT		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Unsecured, considered good, unless otherwise specified			
a	Deposits for Premises, Utilities, etc.		**15.44**	15.35
b	Fixed Deposits /Margin Money (under lien with Banks)		**-**	0.31
c	Others		**0.01**	0.01
			15.45	15.67

(6)	DEFERRED TAX ASSET / (LIABILITY)		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	MAT Entitlement Credit		**37.89**	37.89
	Deferred Tax Assets	**329.56**		277.67
	Deferred Tax Liabilities	**(349.27)**		(357.00)
			(19.71)	(79.33)
			18.18	(41.44)

Deferred Tax Asset movement:

Rs. in crore

Particulars		As at 31-Mar-19	PL FY 2019-20	OCI FY 2019-20	Reserves FY 2019-20	Movement FY 2019-20	As at 31-Mar-20
A	**Deferred Tax Asset**						
1	Unabsorbed Depreciation/ Business Loss	233.89	45.64			45.64	279.53
2	Taxes, Duties Cess, Interest to banks	0.25	-				0.25
3	Employee benefit P&L	13.09	(0.38)			(0.38)	12.71
4	Employee benefit OCI	-	-				-
5	Transfer of ASFRB	-	-				-
6	Provision for Doubtful Debts / Expected Credit Loss	30.76	4.18			4.18	34.94
7	Effect of measurement of the financial instruments	(0.60)	-				(0.60)
8	Others	0.28	1.08		1.37	2.45	2.73
9	Capitalisation of Stores and Spares and related depreciation.	-	-				-
		277.67	**50.52**	**-**	**1.37**	**51.89**	**329.56**
B	**Deferred Tax Liability**						
1	Depreciation	88.76	-				88.76
2	Effect of measurement of the financial instruments	72.72	1.38	0.33		1.71	74.43
3	Effect of measurement of the financial instruments OCI	11.33	-				11.33
4	Effect of measurement of the financial instruments Reserves	176.71	-				176.71
5	Actuarial gain/ (loss) on employee defined benefit funds recognized in other comprehensive income, net of tax	3.00	-	0.46		0.46	3.46
6	Others	4.48	(9.90)			(9.90)	(5.42)
		357.00	**(8.52)**	**0.79**	**-**	**(7.73)**	**349.27**
	Net Asset / (Liability)	**(79.33)**	**59.04**	**(0.79)**	**1.37**	**59.62**	**(19.71)**

MAT Entitlement Credit:

Rs. in crore

	Particulars	As at 31-Mar-19	PL FY 2019-20	OCI FY 2019-20	Reserves FY 2019-20	Movement FY 2019-20	As at 31-Mar-20
	Opening balance	**37.89**				**-**	**37.89**
	Written Off	-				-	-
	Provided	-				-	-
	Closing Balance	**37.89**	**-**	**-**	**-**	**-**	**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 in near future. 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.

(7)	INCOME TAX ASSETS		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Advance payment of Income-tax	**61.13**		59.40
	Provision for Taxation	**(10.56)**		(10.56)
	Income Tax (Net)		**50.57**	48.84
			50.57	48.84

(8)	OTHER NON-CURRENT ASSETS	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Capital Advances	**33.43**	15.78
	Lease Hold Land - Long Term Prepaid Rental Expenses (Refer Note No. 41)	**-**	25.05
	Balance with Government Authorities $	**33.58**	37.48
		67.01	78.31

$ Includes National Savings Certificates of the cost of Rs. 44,000/- (31-Mar-19 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-20 Rs. in crore	31-Mar-19 Rs. in crore
	Raw Materials	**278.43**		279.55
	Materials in Transit	**205.42**		112.46
	Total Raw Materials		**483.85**	392.01
	Work-in-Progress		**149.22**	75.20
	Contracts in Progress [Refer Note No. 25]		**6.19**	6.83
	Finished Goods		**662.64**	709.99
	Stores, Spares, Components and Engineering Construction Materials	**58.93**		60.16
	Materials in Transit	**4.32**		8.62
	Total Stores, Spares, Components and Engineering Construction Materials		**63.25**	68.78
	Fuel		**2.16**	1.17
	Loose Tools		**0.15**	0.12
			1,367.46	1,254.10

(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. 0.16 crore (31-Mar-19 - Rs. 0.14 crore). These were recognised as an expense during the year and included in the Statement of Profit and Loss.

(10)	TRADE RECEIVABLES		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Unsecured			
	Considered Good	**420.32**		443.39
	Considered Doubtful	**71.86**		57.04
			492.18	500.43
	Less : Provision for Expected Credit Loss / Doubtful Debts		**(71.86)**	(57.04)
			420.32	443.39

(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 No. 46.

(c) For receivables secured against borrowings, refer Note No. 17 & 20.

(d) For receivables due from related parties, refer Note No. 38.

(11)	CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
(11.1)	CASH AND CASH EQUIVALENTS			
	(a) Balances with Banks in Current Accounts	**0.89**		0.74
	(b) Cash on hand	**0.03**		0.04
			0.92	0.78
(11.2)	OTHER BANK BALANCES			
	(a) Unpaid Dividend Accounts (Rs. 1,699/-) [31-Mar-19 Rs. 2,565/-]			
	(b) Margin Money Accounts #	**56.53**		45.03
	(c) Deposit Accounts @	**9.54**		13.84
			66.07	58.87
			66.99	59.65

under lien with Banks

@ earmarked towards repayment of Public Fixed Deposits of Rs. 9.48 crores (31-Mar-19 Rs. 13.84 crores).

(12)	LOANS - CURRENT		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Unsecured, considered good, unless otherwise specified			
	Loans to Subsidiary -Vidyavihar Containers Ltd.		**0.10**	-
	Loans to Others	**117.00**		77.13
	Less : Provision for Expected Credit Loss	**(7.50)**		(7.50)
			109.50	69.63
			109.60	69.63

(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.

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

(b) The Company has investments of Rs. 0.19 crore (31-Mar-19 Rs. 0.19 crore) in equity shares of Bombay Forgings Limited (BFL), and has trade receivables/ advances recoverable from BFL which stood at Rs. 90.99 crore as at 31-Mar-20 (31-Mar-19 Rs. 92.04 crore) (collectively referred to as 'Exposures'). Adequate provisions of Rs. 53 crore (approximately) (31-Mar-19 Rs. 48 crore) against trade receivables has been made in the accounts by way of expected credit loss. The management, taking into account the value of unencumbered fixed assets and value of current assets of BFL considers the balance dues 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) For details of loans and advances given to related parties, please refer Note No. 38.

(d) 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) is as given below:

Rs. in crore

Name of the Party		Outstanding amount		Maximum amount during the year	
		As at 31-Mar-20	As at 31-Mar-19	**2019-20**	2018-19
i)	Subsidiaries:				
	Vidyavihar Containers Ltd.	**0.10**	-	**0.10**	-
ii)	Associates				
	Mukand Engineers Ltd	**55.56**	22.18	**55.56**	22.18

(13)	OTHER FINANCIAL ASSETS - CURRENT		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Unsecured, considered good, unless otherwise specified			
	Employee Advances		**0.17**	0.23
	Interest Receivable	**24.17**		39.61
	Less : Provision for Expected Credit Loss	**(2.62)**		(1.69)
			21.55	37.92
	Unbilled Revenue	**176.26**		260.77
	Less : Provision for Expected Credit Loss	**(20.35)**		(22.71)
			155.91	238.06
	Tender Deposits		**-**	0.09
			177.63	276.30

(14)	OTHER CURRENT ASSETS	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Export Benefits	**1.93**	1.87
	Lease Hold Land Rentals due next year (Refer Note No. 41)	**-**	0.33
	Advances recoverable in cash or in kind or for value to be received	**138.39**	148.82
	Balances with Government Authorities	**1.10**	-
		141.42	151.02

(15)	Share Capital	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Authorised:		
	148,000,000 (Previous year 153,000,000) Equity Shares of Rs.10/- each	**148.00**	153.00
		148.00	153.00
	Issued:		
	146,273,934* Equity Shares of Rs.10/- each	**146.27**	146.27
	Total issued share capital:	**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
	Add: Forfeited shares (amounts originally paid up)	**0.01**	0.01
	Total subscribed and fully paid-up share capital	**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-20		31-Mar-19	
	Nos. in crore	**Rs. in crore**	Nos. in crore	Rs. in crore
At the beginning of the period	**14.14**	**141.41**	14.14	141.41
Add : issued during the period	**-**	**-**	-	-
Less : bought back during the year	**-**	**-**	-	-
Outstanding at the end of the period	**14.14**	**141.41**	14.14	141.41

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 2020, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2019 : 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-20	31-Mar-19
Equity Shares of Rs. 10/- each fully paid	**Numbers / % holding**	Number / % holding
Jamnalal Sons Pvt. Ltd.	**28,244,773**	28,244,773
	19.97%	19.97%
Bajaj Holdings & Investments Ltd.	**8,113,564**	8,113,564
	5.74%	5.74%
Baroda Industries Pvt. Ltd.	**17,003,577**	17,003,577
	12.02%	12.02%
Niraj Bajaj	**11,786,730**	11,786,730
	8.34%	8.34%
Rajesh V. Shah	**7,202,007**	7,202,007
	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-20 Rs. in crore	31-Mar-19 Rs. in crore
	Capital Reserve :			
	As per last Account (Rs. 47,439/-) (31-Mar-19 Rs. 47,439/-)			
	Capital Redemption Reserve:			
	As per last Account		**3.00**	3.00
	Securities Premium :			
	As per last Account	**100.32**		100.32
	Less : Preference Share issue expenses	**(0.09)**		-
			100.23	100.32
	General Reserve :			
	As per last Account		**234.78**	234.78
	Retained Earnings :			
	Balance of Profit / (Loss) as per last Account	**(102.31)**		(18.20)
	Profit / (Loss) for the year	**(195.57)**		(84.11)
	Opening IND AS 116 Reserve effect (Refer Note No. 41)	**(3.02)**		-
			(300.90)	(102.31)
	Equity Instruments through Other Comprehensive Income			
	As per last Account	**669.57**		668.27
	For the year	**1.23**		1.30
			670.80	669.57
	Remeasurement of defined benefit obligation through Other Comprehensive Income			
	As per last Account	**6.67**		4.47
	For the year	**1.02**		2.20
			7.69	6.67
			715.60	912.03

1. **Capital Redemption Reserve**
   Capital Redemption Reserve is created by the Company for redemption of preference share from its profits.
2. **Securities premium**
   Securities premium is received from the shareholders of the Company on issue of shares.
3. **General Reserves**
   General Reserves is created out of net profits of the Company by way of appropriation of profits.
4. **Retained earnings**
   Retained earnings are the balance (debit /credit) in the statement of profit and loss.

(17)	BORROWINGS - NON CURRENT		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
I	**SECURED LOANS**			
	Term Loans :			
	- from Banks	**6.75**		14.09
	- from Others	**217.02**		22.09
			223.77	36.18
	Less : Transaction costs on Borrowings		**(0.25)**	(0.31)
	Total Secured Loans		**223.52**	35.87
II	**Preference Share Liability [Unsecured]**			
	5,626,320 0.01% Cumulative Redeemable Preference Shares of Rs. 10/- each, Rs. 2/- redeemed during the year (Refer Note II below)	**2.56**		3.28
	5,626,320 8% Cumulative Redeemable Preference Shares of Rs. 10/- each, Rs. 2/- paid up [31-03-19 Rs Nil] (Refer Note III below)	**1.13**		-
			3.69	3.28
III	**UNSECURED LOANS**			
	(a) Fixed Deposits	**0.37**		47.76
	Less : Transaction costs on Borrowings	**-**		(0.12)
		0.37		47.64
	(b) Long term loans from Companies	**1,666.58**		1,477.68
	Total Unsecured Loans		**1,666.95**	1,525.32
	Total Borrowings		**1,894.16**	1,564.47

(17) Nature of Security & Terms of repayment of Borrowings - Non Current:

		As at 31-Mar-20			As at 31-Mar-19			Terms of Repayment		Nature of Security
	Original Loan Amount	Non-current	Current	Total Rs. in crore	Non-current	Current	Total Rs. in crore	Monthly Installments	Commencing from	
1	**From Banks:**									
I	30.00	3.89	4.69	8.58	7.92	8.04	15.96	60	May'2016	Mortgage of two residential premises at Mumbai.
II	10.00	2.83	3.33	6.16	6.18	3.83	10.01	25	April'2019	
2	**From Other Parties:**									
										Mortgage of 50 acres of lease hold land at Dighe, Thane
I	75.00			-	-	5.37	5.37	36	July'2016	
II	75.00	-	-	-	-	26.71	26.71	36	April'2017	
III	50.00	4.22	10.80	15.02	15.02	16.67	31.69	36	Jan.'2018	
IV	200.00	200.00	-	200.00	-	-	-	Bullet payment	April'2021	Mortgage of 50 acres of lease hold land at Dighe, Thane
V	25.00	-	-	-	-	7.47	7.47	30	June.'2017	Mortgage of residential premises at Mumbai, residential premises at Delhi and 5 acres of lease hold land at Dighe, Thane.
VI	25.00	-	5.69	5.69	6.58	10.13	16.71	30	May'2018	
VII	25.00	12.83	4.70	17.53	-	-	-	36	May'2019	
VIII	6.42		0.48	0.48	0.48	1.79	2.27	36	April'2017	Hypothecation of Plant & Machinery - Ultrasonic Testing Machine at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka.
Total	**521.42**	**223.77**	**29.69**	**253.46**	**36.18**	**80.01**	**116.19**			

Note: Rate of interest on above loans is in the range of 11.75% p.a. to 13.45% p.a.

Notes (Contd.)

(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. Accordingly, the Company has redeemed Rs. 2/- per share on 27th September 2019 out of the proceeds received from issue of 8% CRPS during the year by the Company. 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.

0.01% CRPS of Rs. 10/- each fully paid (Rs. 2/- redeemed during the year 2019-20)	**31-Mar-20 Number / % holding**	31-Mar-19 Number / % holding
Life Insurance Corporation of India	**595,545**	595,545
% holding	**10.58%**	10.58%
Jamnalal Sons Pvt. Ltd.	**474,064**	474,064
% holding	**8.43%**	8.43%

(III) Company allotted 56,26,320, 8% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10/- each on private placement basis to the following members belonging to the Promoter Group entities. Rs. 2/- has been called up on these shares. The balance amount of Rs. 8/- per share shall be called in one or more installments as and when the Board of Directors/Committee may considers in its absolute discretion. These CRPS will be redeemed at Par in one or more installments. These CRPS shall have a maximum term of 20 years from the date of allotment and shall be redeemed at the option of the Company after expiry of 5 years from the date of allotment, but before expiry of 20th year from the date of allotment. 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.

8% CRPS of Rs. 10/- each, Rs. 2/- paid up:	**31-Mar-20**	31-Mar-19
Jamnalal Sons Pvt. Ltd.	**2,813,160**	-
% holding	**50.00%**	
Bachharaj & Company Pvt. Ltd.	**2,813,160**	-
% holding	**50.00%**	

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.

(IV) For details of loans received from related parties, refer Note No. 38.

(V) The Company has not defaulted in the payment of interest and installments of the loans as at 31-Mar-20.

(18) OTHERS FINANCIAL LIABILITIES - NON CURRENT	**31-Mar-20 Rs. in crore**	31-Mar-19 Rs. in crore
Security Deposits	**-**	4.00
	-	4.00

(19) PROVISIONS - NON CURRENT	**31-Mar-20 Rs. in crore**	31-Mar-19 Rs. in crore
for Employee Benefits	**33.42**	32.93
	33.42	32.93

(20) BORROWINGS - CURRENT	**31-Mar-20 Rs. in crore**	31-Mar-19 Rs. in crore
I SECURED LOANS		
Working Capital Loans from Banks	**363.36**	383.24
Total Secured Loans	**363.36**	383.24
II UNSECURED LOANS		
Short Term Loans from Companies	**203.38**	281.45
Total Unsecured Loans	**203.38**	281.45
Total Borrowings	**566.74**	664.69

(20) Short Term Borrowings - Security:

(a) Working Capital Facilities at Note No. 20(I) and non-funded facilities from the Banks are secured by hypothecation of stocks (excluding machinery spares) and book debts. The said facilities are also secured by way of against first pari passu charge against mortgage/ hypothecation of Company's 87 acres 4 gunthas (approx.) of 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 184 acre 36 gunthas (approx.) of 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 other term loans at Note (17)(I)(2)(VIII).

Assets excluded from security given to secured lenders at Note No. 20 are as under:

60 acres, 36 gunthas, 8 annas of land at Kalwe and Dighe, Dist. Thane in the State of Maharashtra. 43.14 acres of Leasehold land at Sinnar, Dist. Nashik in the State of Maharashtra. 161.47 acres of land in the state of Jharkhand, for Company's projects in that state.

Ultrasonic Testing machine at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No. 17 (I) (2) (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.

(b) The Company has not defaulted in the payment of interest and installments of the loans as at 31-Mar-20.

(21) TRADE PAYABLES		**31-Mar-20 Rs. in crore**	31-Mar-19 Rs. in crore
Dues to Micro Enterprises and Small Enterprises		**4.81**	3.67
Other than to Micro Enterprises and Small Enterprises			
Acceptances	**251.99**		294.55
Trade Payables	**518.61**		465.62
		770.60	760.17
		775.41	763.84

(a) For Payables to related parties, refer Note No. 38.

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

Rs. in crore

Particulars			**As at 31-Mar-20**	As at 31-Mar-19
The principal amount and the interest due thereon remaining unpaid to suppliers				
a	i)	Principal	**4.81**	3.67
	ii)	Interest due thereon	**-**	-
b	i)	Interest actually paid under section 16 of the MSMEDA	**-**	-
	ii)	Amount of payment made to suppliers beyond the appointed day		-
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		**-**	-
d	Amount of interest accrued and remaining unpaid		**-**	-
e	Amount of further interest remaining due and payable even in the succeeding years, until such dates when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under MSMEDA		**-**	-

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

(22) OTHER FINANCIAL LIABILITIES - CURRENT		**31-Mar-20 Rs. in crore**	31-Mar-19 Rs. in crore
Current Maturities of long-term debt	**78.12**		149.40
Less : Transaction costs on Borrowings	**(1.91)**		(2.25)
		76.21	147.15
Lease Liability under IND AS 116 (Refer Note No. 41)		**27.88**	
Interest accrued but not due on borrowings		**44.50**	28.51
Interest accrued and due on borrowings			
Unpaid Dividends (represents amounts unclaimed)* (Rs 1,699/-) [31-Mar-19 Rs 2,565]			
Unpaid matured deposits (represents amounts unclaimed)*		**1.15**	0.49
Liability towards Employee Benefits		**2.79**	8.76
Acceptances / Payables for Capital Goods		**3.38**	5.28
Others		**3.63**	8.03
		159.54	198.22

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

Refer Note No. 38 for Related party transactions

Notes (Contd.)

(23)	OTHER CURRENT LIABILITIES	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	Advances against Orders and Engineering Contracts	**108.47**	31.54
	Statutory Dues	**4.06**	12.95
	Other Payables	**0.14**	1.14
		112.67	45.63

Refer Note No. 38 for Related party transactions

(24)	PROVISIONS - CURRENT	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
	for Employee Benefits	**9.56**	9.26
	for Warranty Costs [Refer Note (a) below]	**0.48**	0.27
		10.04	9.53

(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-20 Rs. in crore	31-Mar-19 Rs. in crore
Opening Balance	**0.27**	0.46
Provision recognised during the year	**0.48**	0.27
Amount utilised during the year	**(0.49)**	(0.57)
Amount reversed/ short provision during the year	**0.22**	0.11
Closing Balance	**0.48**	0.27

(25)	Revenue from Operations			2019-20 Rs. in crore	2018-19 Rs. in crore
	I	**Sale of Products and Services**			
	(1)	Special Alloy Steel Products	**1,056.43**		1,571.82
	(2)	Stainless Steel Products	**1,220.75**		1,335.01
	(3)	Job Works & Other Services	**416.18**		508.41
	(4)	Engineering Contracts	**104.15**		132.74
		Total		**2,797.51**	3,547.98

Sales is net of early payment discounts aggregating Rs. 1.65 crore (previous year Rs. 2.28 crore)

II	Other Operating Revenues	2019-20	2018-19
(a)	Sale of Scrap and Sundries	**7.91**	10.91
(b)	Export Benefits	**4.76**	10.58
(c)	Insurance Claims etc.	**0.34**	0.13
(d)	Credit balances appropriated	**0.08**	7.24
(e)	Other Miscellaneous receipts	**6.07**	5.07
(f)	Excess provisions written back (net)	**1.65**	0.82
(g)	Surplus on account of sale of assets	**0.06**	4.91
	Total Other Operating Revenues	**20.87**	39.66
	Total Sales & Services and Other Operating Revenues	**2,818.38**	3,587.64

(a) 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. NHAI and CDS have settled the claims. Rs 91.66 Crore was realized upto during the year. The net receivables on this account is now at Rs. 31.39 Crore as at 31st March 2020 as against Rs. 121.47 Crore as at 31st March 2019. In the opinion of the Management, the balance net receivables would be realized from CDS in due course.

(b) Disclosure regarding Income from Contracts of Industrial Machinery Division to which Ind AS 115 applies :

Rs. in crore

	2019-20	2018-19
The amount of Contract revenue recognised as revenue during the year.	**104.15**	132.74
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto 31.03.2020	**2,037.55**	1,993.51
The amount of advances received (Gross)	**12.17**	15.06
The amount of retentions (included in sundry debtors) (net balance)	**104.70**	107.08
Amount due to customers	**-**	-
Amount due from customers	**176.49**	194.26

(c) Disaggregation of Revenue :

Rs. in crore

Revenue based on geography	2019-20	2018-19
Domestic	2,664.79	3,284.70
Export	132.72	263.28
Total	**2,797.51**	3,547.98

Pending performance obligations on long term engineering contracts:

Revenue is recognized upon transfer of control of products or services to customers.

The Company has entered into long term contracts aggregating Rs. 1,084.05 crores (previous year Rs. 1,044.20 crores) pertaining to the industrial machinery division. The pending performance obligation relating to these contracts aggregates to Rs. 221.65 crores (previous year Rs. 223.89 crores) as at year end.

The management of Company expects that 52% of the pending performance obligation amounting to Rs. 115.26 crores (previous year 78% amounting to Rs. 174.63 crores) pertaining to these long term contracts will be recognised as revenue during the next reporting period with balance in future reporting periods thereafter.

(26)	Other Income	2019-20 Rs. in crore	2018-19 Rs. in crore
(a)	Interest Received - From Customers/Banks/Others	33.80	49.88
(b)	Rent received	1.14	1.18
(c)	Net gains on Fair value changes/Disposal of Equity Instruments	6.17	23.67
(d)	Surplus on account of sale of Land	1.43	2.16
(e)	Delay Payment Charges received	8.27	0.11
(f)	Dividends (Gross) : from Subsidiary	1.42	2.34
	Total Other Income	**52.23**	79.34

(27)	RAW MATERIALS CONSUMED	2019-20 Rs. in crore	2018-19 Rs. in crore
	Opening Stocks	279.55	97.67
	Add : Purchases	1,568.04	2,135.31
	Add / Less : Materials on loan / (Sales) [net]	(4.25)	
		1,843.34	2,232.98
	Less : Closing Stocks	278.43	279.55
		1,564.91	1,953.43

(28)	Changes in inventories of Finished Goods and Work-in-Progress /Contracts in Progress	2019-20 Rs. in crore	2018-19 Rs. in crore
	Opening Stocks	792.02	774.05
	Less :		
	Closing Stocks	818.05	792.02
	(Increase)/Decrease in Stocks	(26.03)	(17.97)

(29)	Employee Benefits Expense	2019-20 Rs. in crore	2018-19 Rs. in crore
	Salaries, Wages, Bonus, Compensation and Other Payments	157.39	176.36
	Contribution towards Employees' State Insurance, Provident and Other Funds	17.65	18.60
	Welfare Expenses	13.48	13.42
		188.52	208.38

(30)	Finance Costs	2019-20 Rs. in crore	2018-19 Rs. in crore
	Interest Expense	334.34	299.25
	Less :		
	Interest Capitalised	0.57	0.22
		333.77	299.03
	Other Transaction costs on borrowings	4.34	4.27
		338.11	303.30

Notes (Contd.)

(31)	Other Expenses :		2019-20 Rs. in crore	2018-19 Rs. in crore
	Stores, Spares, Components,Tools, etc. consumed [Refer Note 37(b)]		**418.78**	589.68
	Power and Fuel consumed		**215.66**	247.64
	Machining and Processing charges		**177.29**	217.56
	Sub-contracting expenses		**54.69**	55.88
	Other Manufacturing expenses		**25.68**	53.94
	Rent (net)		**1.58**	0.70
	Repairs:			
	to Buildings	**1.77**		2.07
	to Plant and Machinery	**7.17**		9.30
	to Other assets	**1.96**		2.47
			10.90	13.84
	Rates and Taxes		**5.77**	5.22
	Insurance		**2.21**	1.59
	Commission		**0.33**	0.43
	Freight, Forwarding and Warehousing (net)		**2.40**	4.66
	Directors' Fees and Travelling Expenses		**0.17**	0.27
	Bad Debts, debit balances and claims written off		**0.49**	5.10
	Provision for doubtful debts/advances		**6.73**	-
	Provision for Expected Credit Loss (Net)		**6.65**	0.77
	Loss on assets sold		**-**	0.11
	Loss on assets discarded		**0.03**	0.09
	Amortisation of Leasehold Land		**-**	0.33
	Loss on variation in foreign exchange rates (net)		**2.82**	24.18
	Miscellaneous Expenses (a)		**56.25**	62.09
			988.43	1,284.08

(a)	Payment to Auditors	2019-20	2018-19
(i)	As Statutory Auditors	**0.47**	0.43
(ii)	For Taxation Matters - Tax Audit	**0.05**	0.04
(iii)	For Other services	**0.22**	0.21
(iv)	For Reimbursement of expenses	**0.01**	0.02
		0.75	0.70

(32)	INCOME TAX EXPENSE	2019-20 Rs. in crore	2018-19 Rs. in crore
	Profit/(Loss) before Tax	**(254.60)**	(132.33)
	Applicable Tax Rate	**31.20%**	31.20%
	Tax Expense	**(79.44)**	(41.29)
	Tax effect of :		
	Permanent disallowances	**0.12**	0.15
	Income Taxed at different rate	**(0.53)**	(3.19)
	Lapsing of past losses / MAT Entitlement	**23.49**	0.00
	Others	**(2.67)**	(3.89)
	Tax expenses recognised in Statement of Profit and Loss	**(59.03)**	(48.22)

(33)	Other Comprehensive Income	2019-20 Rs. in crore	2018-19 Rs. in crore
	Items that will not be reclassified to Profit or loss (net of tax)		
	Actuarial Gain on defined benefit Obligations	**1.48**	3.20
	Net gains on Fair value changes/Disposal of Equity Instruments	**1.56**	1.64
	Less : Deferred tax	**(0.79)**	(1.34)
	Other Comprehensive Income	**2.25**	3.50

(34)	Computation of Profit for Earnings per Share (EPS) :	2019-20 Rs. in crore	2018-19 Rs. in crore
	Net Profit/(Loss) After Taxation as per Statement of Profit & Loss	**(195.57)**	(84.11)
	Less : Dividends and tax thereon		
	Net Profit/(Loss) for calculation of basic / diluted EPS [including Exceptional Items (net)]	**(195.57)**	(84.11)
	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)	**(13.83)**	(5.95)

(35) 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, 2020 and March 31, 2019. 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, 2020 is as follows:

Particulars	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
Borrowings		
Long term and Short term borrowings	**2,460.90**	2,229.16
Current maturities of Long term borrowings	**76.21**	147.15
Less: Cash & Bank Balances	**(0.92)**	(0.78)
Adjusted net debt	**2,536.19**	2,375.53
Total Equity	**857.02**	1,053.45
Adjusted net debt to adjusted equity ratio	**2.96**	2.26

(36)

(a) Contingent Liabilities not provided for :

	Particulars	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
(i)	Disputed matters in appeal/contested in respect of:		
	- Income Tax *	**18.80**	19.15
	- Excise Duty, Customs Duty etc.	**7.73**	8.70
	- Sales Tax, Works Contract Tax etc. **	**4.30**	3.47
	- Other matters	**29.17**	20.67
	* 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.	**13.25**	12.98
	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	**408.40**	408.40
(iv)	Bonds / Undertakings given by the Company under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	**0.66**	0.66
(v)	Arrears of dividend on 0.01% preference shares for FY 2019-20 Rs.5,064/-,FY 2018-19 Rs.5,627/-, 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/- and on 8% preference shares for FY 2019-20 Rs.4,64,863/- in view of amendment 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) 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.

(b) COMMITMENTS

		31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
(i)	Estimated amount of contracts to be executed on capital account and not provided for (net of advances)	**9.79**	4.19

Rs. in crore

		As at 31-Mar-20	As at 31-Mar-19
(ii)	As lessee: Future Rental obligations in respect of premises taken on lease – Operating Lease:		
	1. For a period not later than one year.	**0.53**	0.55
	2. For a period later than one year and not later than five years.	**0.15**	0.42
	3. For a period later than five years.	**-**	-
	Total	**0.68**	0.97

Lease rentals charged to revenue for the current year Rs. 1.59 crore (Previous Year Rs. 0.74 crore).

These premises comprise residential flats, office premises and warehouses. The Agreements for lease are executed for tenure of 11 to 60 months with a provision for renewal and termination by either party giving a prior notice of 1 to 3 months.

Rs. in crore

		As at 31-Mar-20	As at 31-Mar-19
(iii)	As Lessor: Future Rental income in respect of premises/ plot of land given on lease – Operating Lease:		
	1. For a period not later than one year.	**0.80**	0.88
	2. For a period later than one year and not later than five years.	**0.07**	0.88
	3. For a period later than five years.	**-**	-
	Total	**0.87**	1.76

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.

(37)

Rs. in crore

(a) Earnings in Foreign Exchange:	**2019-20**	2018-19
Exports (F.O.B. Value)	**131.07**	257.74
Dividend	**1.42**	0.70
Freight & Insurance (included in the sale value)	**1.65**	5.54
Others	**0.01**	0.10
	134.15	264.08

Rs. in crore

(b) Value of imports (C.I.F. basis) (including in-transit):	**2019-20**	2018-19
Raw Materials	**869.62**	1,070.12
Stores, Spare Parts, Components and Fuel	**43.98**	64.76
Capital goods	**2.12**	1.47
	915.72	1,136.35

Rs. in crore

(c)	Expenditure in Foreign Currency:	2019-20	2018-19
	(Including amounts capitalised and amounts recovered)		
	Interest and Bank charges (Net of tax)	**0.07**	1.16
	Technical Consultancy / Services (Net of tax)	**-**	0.01
	Foreign Travel	**0.31**	0.28
	Other matters	**4.47**	3.72
		4.85	5.17

(d) 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.

(38) Related Party Disclosures

(a) Name and Relationship:

(i) Subsidiaries / Step Down Subsidiary:

Mukand Global Finance Ltd., Mukand International Ltd. (MIL) (upto May 2019), Vidyavihar Containers Ltd. (VCL), Mukand International FZE (MIFZE), Adore Traders and Realtors Private Ltd (Adore).

(ii) Other related parties where control exists:

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

(iii) Joint Ventures:

Mukand Sumi Metal Processing Ltd (MSMPL), Mukand Sumi Special Steel Ltd (earlier known as Mukand Alloy Steels Ltd.), Hospet Steels Ltd. (HSL).

(iv) Key Management Personnel:

Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah, Pratap V. Ashar, Prakash Vasantlal Mehta, Dhirajlal Shantilal Mehta (upto August 8, 2019), Naresh Chandra Sharma (upto August 8, 2019), Bharti Ram Gandhi, Amit Yadav, Other KMPs, 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. , Baroda Industries Pvt. Ltd.

(b)	**(i) Details of transactions with the related parties referred in (a) above :**							Rs. in Crore
	Nature of transactions	**Related parties as referred in**						
		a (i) above	**a (ii) above**	**a (iii) above**	**a (iv) above**		**a (v) above**	**Total**
1	Purchase of Goods	**52.42**	**10.99**	**51.71**	**-**		**-**	**115.12**
		42.75	16.28	95.83	-		-	154.86
2	Sale of Goods	**113.85**	**-**	**1,476.67**	**-**		**-**	**1,590.52**
		167.98	9.24	1,931.75	-		-	2,108.97
3	Purchase of Fixed Assets	**-**	**0.04**	**-**	**-**		**-**	**0.04**
		-	-	-	-		-	-
4	Sale of Fixed Assets	**-**	**-**	**1.36**	**-**		**-**	**1.36**
		-	-	26.00	-		-	26.00
5	Services Received	**0.31**	**9.54**	**91.13**	**-**		**-**	**100.98**
		0.30	9.06	96.00	-		-	105.36
6	Services Rendered	**-**	**1.83**	**280.31**	**-**		**-**	**282.14**
		0.10	2.13	333.52	-		-	335.75
7	Remuneration to Key Management Personnel / Relatives of KMPs	**-**	**-**	**-**	**6.11**		**-**	**6.11**
		-	-	-	7.40		-	7.40
8	Interest Paid	**-**	**0.17**	**2.17**	**0.11**	*	**104.77**	**107.22**
		-	0.25	2.97	0.47	*	81.74	85.43
9	Interest / Dividend Received	**2.17**	**4.90**	**2.04**	**-**		**-**	**9.11**
		1.39	1.32	1.64	-		-	4.35
10	Reimbursement of Expenses - Receipts	**-**	**-**	**-**	**-**		**-**	**-**
		-	-	25.99	-		-	25.99
11	Investment in Preference Shares	**-**	**-**	**-**	**-**		**0.56**	**0.56**
		-	-	-	-		-	-

Notes (Contd.)

(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	Partial redemption of preference shares	**-**	**-**	**-**	**-**		**0.09**	**0.09**
		-	-	-	-		-	-
13	Finance taken including equity / (re-payment of loans & advances) - Net	**1.17**	**-**	**58.42**	**-**		**63.85**	**123.44**
		52.38	-	2.20	-		497.55	552.13
14	Finance given including equity / preference (re-payment of loans & advances) - Net	**0.80**	**34.76**	**-**	**1.24**		**-**	**36.80**
		0.75	31.31	-	0.65		0.01	32.72
15	Balances at the close of the year:							
	i) Amount Receivable	**11.54**	**29.44**	**31.07**	**-**		**0.30**	**72.35**
		0.08	87.76	91.15	-		0.30	179.29
	ii) Amount Payable	**22.32**	**1.27**	**48.03**	**0.13**		**-**	**71.75**
		7.26	9.71	30.14	0.25		-	47.36
	iii) Amount Receivable in respect of loans & advances	**12.25**	**88.25**	**-**	**-**		**-**	**100.50**
		11.38	50.65	1.51	-		-	63.54
	iv) Amount Payable in respect of loans & advances	**1.47**	**-**	**61.81**	**0.72**	*	**892.16**	**956.16**
		0.30	-	2.20	5.53	*	822.30	830.33
	v) Property deposit taken	**-**	**0.07**	**-**	**-**		**-**	**0.07**
		-	0.07	-	-		-	0.07
16	Guarantees given by the Company	**-**	**115.00**	**287.64**	**-**		**-**	**402.64**
		-	115.00	287.64	-		-	402.64
Note:	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. 0.72 crores (previous year Rs 5.53 crore)							

(b) Related Party Details

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

	Rs. in Crore
Purchase of Goods	
Mukand International FZE	**44.23**
	36.50
Mukand Sumi Metal Processing Ltd	**32.66**
	52.77
Bombay Forgings Ltd	**0.75**
	-
Mukand Sumi Special Steel Ltd	**19.05**
	43.06
Mukand Engineers Ltd	**10.24**
	16.28
Adore Traders & Realtors Pvt Ltd	**8.19**
	6.25
Purchase of Fixed Assets	
Bombay Forgings Ltd	**0.04**
	-
Sale of Goods	
Mukand International FZE	**113.85**
	167.98
Bombay Forgings Ltd	**-**
	9.24
Mukand Sumi Metal Processing Ltd	**351.88**
	329.49
Mukand Sumi Special Steel Ltd	**1,124.79**
	1,602.26
Sale of Fixed Assets:	
Mukand Sumi Metal Processing Ltd	**-**
	6.56

	Rs. in Crore
Mukand Sumi Special Steel Ltd	**1.36**
	19.44
Services Received:	
Hospet Steels Ltd	**51.50**
	56.90
Mukand Engineers Ltd	**9.54**
	9.06
Mukand Global Finance Ltd	**0.30**
	0.30
Mukand Sumi Metal Processing Ltd	**10.23**
	11.68
Mukand Sumi Special Steel Ltd	**29.40**
	27.42
Mukand International FZE	**0.01**
	-
Remuneration to Executive Directors & Other KMPs #	
Short term employment benefit	**5.50**
	6.72
Post Employment Benefits	**0.44**
	0.41
Remuneration to Non-Executive / Independent Directors	
Sitting Fees	**0.17**
	0.27
Services Rendered:	
Mukand Sumi Special Steel Ltd	**207.76**
	257.53
Mukand International FZE	**-**
	0.10
Mukand Engineers Ltd	**1.82**
	2.12
Mukand Sumi Metal Processing Ltd	**72.55**
	75.99

Notes (Contd.)

	Rs. in Crore
Bombay Forgings Ltd	**0.01**
	0.01
Interest Paid	
Mukand Engineers Ltd	**0.17**
	0.25
Jamnalal Sons Pvt Ltd	**100.87**
	79.99
Adonis Laboratories Pvt Ltd	**0.24**
	0.24
To relatives of a Director & KMPs	**0.11**
	0.47
Mukand Sumi Metal Processing Ltd	**0.65**
	1.51
Mukand Sumi Special Steels Ltd	**1.52**
	1.46
Baroda Industries Pvt Ltd	**3.66**
	1.51
Interest / Dividend Received	
Mukand International FZE	**1.42**
	0.70
Adore Traders & Realtors Pvt Ltd	**0.75**
	0.69
Mukand Engineers Ltd	**4.90**
	1.32
Mukand Sumi Metal Processing Ltd	**-**
	1.64
Mukand Sumi Special Steels Ltd	**2.04**
	-
Reimbursement of Expenses - Receipts	
Mukand Sumi Special Steels Ltd	**-**
	25.99
Investment in preference shares	
Jamnalal Sons Pvt Ltd	**0.56**
	-
Partial redemption of preference shares	
Jamnalal Sons Pvt Ltd	**0.09**
	-
Finance taken including equity / preference / (re-payment of loans & advances) - Net	
Jamnalal Sons Pvt Ltd	**78.55**
	477.45
Mukand International FZE	**1.17**
	52.38
Mukand Sumi Special Steels Ltd	**58.42**
	2.20
Mukand Sumi Metal Processing Ltd	**-**
	-
Baroda Industries Pvt Ltd	**(14.70)**
	20.10
Finance given including equity/(re-payment of loans & advances) - Net	
Adore Traders & Realtors Pvt Ltd	**0.70**
	0.75
Kalyani Mukand Ltd	**-**
	0.01
Mukand Engineers Ltd	**33.38**
	19.28

	Rs. in Crore
Bombay Forgings Ltd	**1.38**
	12.03
FDs repaid to Relatives of a Director / Director	**1.24**
	0.65
Vidyavihar Containers Ltd	**0.10**
	-
Balances at the close of the year:	
i) Amount Receivable (net of ECL/Provisions)	
Mukand International FZE	**11.54**
	0.08
Bombay Forgings Ltd	**8.27**
	64.29
Mukand Sumi Special Steel Ltd	**7.21**
	77.38
Mukand Sumi Metal Processing Ltd	**23.86**
	13.77
Mukand Engineers Ltd	**21.18**
	23.47
Kalyani Mukand Ltd	**0.30**
	0.30
ii) Amount payable	
Mukand International FZE	**20.99**
	6.98
Mukand Global Finance Ltd	**0.08**
	0.05
Mukand Engineers Ltd	**1.27**
	9.71
Hospet Steels Ltd	**3.46**
	7.29
Mukand Sumi Metal Processing Ltd	**3.19**
	18.16
Remuneration to Key Management Personnel / Expenses payable to Relatives of KMP	**0.13**
	0.25
Mukand Sumi Special Steel Ltd	**41.38**
	4.69
Adore Traders & Realtors Pvt Ltd	**1.25**
	0.23
iii) Amount Receivable in respect of loans & advances	
Vidyavihar Containers Ltd	**0.10**
	-
Bombay Forgings Ltd	**29.72**
	27.75
Mukand Engineers Ltd	**58.54**
	22.90
Adore Traders & Realtors Pvt Ltd	**12.15**
	11.38
Mukand Sumi Special Steel Ltd	**-**
	1.51
iv) Amount Payable in respect of loans & advances	
Mukand International FZE	**1.17**
	-
Jamnalal Sons Pvt Ltd	**878.91**
	794.55

	Rs. in Crore
Adonis Laboratories Pvt Ltd	**2.02**
	2.00
Adore Traders & Realtors Pvt Ltd	**0.30**
	0.30
Baroda Industries Pvt Ltd	**11.24**
	25.75
Mukand Sumi Special Steel Ltd	**61.81**
	2.20
FDs / interest thereon from Relatives of a Director	**0.72**
	5.53

	Rs. in Crore
v) Property Deposit taken	
Mukand Engineers Ltd	**0.07**
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	**115.00**
	115.00
Mukand Sumi Special Steels Ltd	**287.64**
	287.64

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.

(39) Particulars of Loans, Guarantees, Investments under Section 186 of Companies Act, 2013:

Rs. in crores

		Purpose	31-Mar-20	31-Mar-19
i)	**Loans (net of provisions):**	**Purpose**	**31-Mar-20**	31-Mar-19
	Name of the Party			
	Vidyavihar Containers Ltd.	To be utilized for its business	**0.10**	-
	Adore Traders & Realtors Private Ltd	To be utilized for its business	**5.00**	5.00
	Mukand Engineers Ltd	To be utilized for its business	**55.56**	22.18
	Aasman Trading P Ltd	To be utilized for its business	**2.65**	2.65
	A M Realty P Ltd	To be utilized for its business	**0.38**	0.38
	Rajesh Estates & Nirman Pvt Ltd	To be utilized for its business	**0.70**	0.70
	Rajhans Infracon India P Ltd	To be utilized for its business	**2.50**	-
	Rajhans Nutriments Pvt. Ltd.	To be utilized for its business	**21.04**	27.85
	Royal Netra Constructions P Ltd	To be utilized for its business	**2.00**	2.00
	Vijaygroup Housing P Ltd	To be utilized for its business	**-**	4.97
	Parinee Realty Private Limited	To be utilized for its business	**13.20**	3.90
	Pray Project Pvt Ltd	To be utilized for its business	**6.47**	-
ii)	**Guarantees:**			
	Name of the Party			
	Mukand Engineers Ltd.	For its banking facilities	**115.00**	115.00
	JSC Centrodorstroy	For security to claim amounts awarded by Arbitral Tribunal	**5.76**	5.76
	Mukand Sumi Special Steel Ltd (MSSSL)	For its banking facilities	**287.64**	287.64
iii)	**Investments:**			
	For details, please refer Note No. 4			

(40) Petitions filed with NCLT for Scheme of amalgamation between Adore Traders and Realtors Private Limited, a wholly owned subsidiary of Mukand Global Finance Limited with the parent company MGFL, followed by the amalgamation of MGFL and Mukand Engineers Limited with the Company are pending approval of NCLT. The Scheme shall be effective from the appointed date 1st April, 2019 on receipt of NCLT order and filing the same with Registrar of Companies and therefore financial statement does not include effect of amalgamation of these Companies with the Company.

(41)

(I) 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.

(II) Impact analysis on account of Covid-19 epidemic: In March 2020, the WHO declared COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March 2020, the Government of India declared this pandemic a health emergency and ordered temporary closure of all non-essential business, imposed restrictions on movement of goods/material, travel, etc. This outbreak is causing significant disturbances and slowdown of economic activity worldwide and economic slowdown may have its eventual impact on the Company. The Company suspended production at its plants situated at Dighe, Thane in the state of Maharashtra and Ginigera, Koppal in the state of Karnataka with effect from last week of March 2020 till first week of May 2020. Post relaxation of lock down by the Government, both the plants have become partially operational as per guidelines of the Government.

Management has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and has concluded that there are no material impact or adjustments required in the standalone financial statements. The stress on liquidity position has been partially mitigated by the relief given by the Government, RBI, Electricity Distribution Companies, etc.

Management has assessed likely impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the standalone financial statements. Management expects that considering the nature of its business operations, existing customer and supplier relationships, impact on its business operations, if any, arising from COVID -19 pandemic may not be significant in the long run and would be able to recover carrying amount of all its assets as appearing in the financial statements. The impact of COVID 19 pandemic may be different from that estimated as at the date of approval of these financial results. The Management will continue to monitor any material changes to future economic conditions.

(III) Leases:

The Company applied Ind AS 116 – Leases ('Ind AS 116') for the first time.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases - Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the retrospective method of adoption, with the date of initial application on April 01, 2019. Accordingly, previous period information has not been restated and the amounts of depreciation, finance costs and Other Expenditure are not comparable with those of the previous year. The adoption of this Standard does not have any material impact on the loss for the year ended 31st March, 2020. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

1 Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020:

Rs. in crores

Particulars	**ROU Assets**		
	Leasehold Land	**Leased Assets**	**Total**
Balance as at April 1, 2019	-	49.00	49.00
Transition impact on account of adoption of Ind AS 116 "Leases"	-	(4.39)	(4.39)
Reclassified from Other non-current/current assets on account of adoption of Ind AS 116	25.38	-	25.38
Total ROU as on date of transition	**25.38**	**44.61**	**69.99**
Additions during the year	-	3.01	3.01
Deletion during the year	-	-	-
Depreciation on ROU (Refer Note No. 2)	(0.33)	(23.81)	(24.14)
Balance as at March 31, 2020	**25.05**	**23.81**	**48.86**

2 The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Rs. in crores
	Lease Liability
Transition impact on account of adoption of Ind AS 116 "Leases"	49.01
Additions during the year	3.01
Finance cost accrued during the year	5.27
Deletion	
Payment of lease liabilities	(29.40)
Balance as at March 31, 2020	**27.88**
Reconciliation with Financial Statements:	
Current lease liability (Refer Note No. 22)	27.88
Non-current lease liability	-
	27.88

3 The adoption of new standard has also resulted in decrease in loss before tax for the year by Rs. 0.32 crore (increase in Depreciation expense by Rs. 23.81 crore and finance cost by Rs. 5.27 crore and corresponding decrease in other expenses by Rs. 29.40 crore). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by Rs. 5.27 crore.

4 The maturity analysis of lease liabilities are disclosed below

Rs. in crore

Particulars	**Less than1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease Liability (undiscounted)	29.84	-	-	29.84

5 The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 12.75%.

6 Interest expense recorded for lease liabilities is Rs. 5.27 crore for the year ended March 31, 2020 (Refer Note No. 30).

(42) 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/(written back) in the Statement of Profit an Loss for the year ended March 31, 2020 based on actuarial valuation is Rs. (0.12) Crore (March 31, 2019 Rs. 0.38 crore).

(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 year towards defined contribution plans:

Rs. in crore

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	**5.82**	5.62
Employer's Contribution to FPF	**1.87**	2.01
Employer's Contribution to EDLI	**0.65**	0.66
Employer's Contribution to ESIC	**0.04**	0.12
Employer's Contribution to Maharashtra Labour Welfare fund	**0.01**	0.01
Employer's Contribution to superannuation fund	**2.74**	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, 2020	For the year ended March 31, 2019
		Gratuity (funded)	Gratuity (funded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current Service Cost	**2.48**	4.65
	Past Service Cost	**0.73**	-
	Expected return on plan assets	**-**	-
	Interest cost on benefit obligation	**1.65**	1.80
	Total Expenses	**4.86**	6.45
II	**Expenses recognised in OCI**		
	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	**0.58**	(0.83)
	Actuarial (Gain)/ Losses due to Experience on DBO	**(2.06)**	(2.19)
	Return on plan assets, excluding amount recognised in net interest expense	**-**	(0.18)
	Total Expenses	**(1.48)**	(3.20)
III	**Net Asset /(Liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	**(48.33)**	(46.76)
	Fair Value of Plan Assets (For the year 2019-20, it is as estimated by Trustees in absence of certificates from LIC)	**26.62**	25.33
	Funded status [Surplus/(Deficit)]	**(21.71)**	(21.43)
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	**46.76**	44.50
	Current Service Cost	**2.48**	2.54
	Past service cost / acquisition adjustment	**-**	-
	Interest Cost	**3.60**	3.42
	Actuarial (Gain)/Loss	**(1.48)**	(3.01)
	Benefits paid	**(3.03)**	(0.69)
	Present value of defined benefit obligation at the end of the year	**48.33**	46.76

Rs. in crore

	Defined benefit plans	For the year ended March 31, 2020 Gratuity (funded)	For the year ended March 31, 2019 Gratuity (funded)
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	**25.33**	21.11
	Investment Income	**1.84**	1.62
	Return on plan assets, excluding amount recognised in net interest expense	**-**	0.18
	Contribution from Employer	**1.15**	3.11
	Benefits paid	**(1.70)**	(0.69)
	Closing fair value of the plan asset	**26.62**	25.33
VI	**Maturity profile of DBO on undiscounted basis:**		
	Within the next 12 months (next annual reporting period)	**11.77**	12.15
	Between 2 and 5 years	**15.33**	14.38
	Between 6 and 10 years	**22.75**	22.72
	More than 10 years	**36.43**	43.39
VII	**Quantitative sensitivity analysis for significant assumptions is as below:**		
	1 Increase/(decrease) on present value of DBO at the end of the year:		
	(i) +100 basis points increase in discount rate	**(3.08)**	(2.97)
	(ii) -100 basis points decrease in discount rate	**3.51**	3.39
	(iii) +100 basis points increase in rate of salary increase	**3.57**	3.45
	(iv) -100 basis points decrease in rate of salary increase	**(3.19)**	(3.08)

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.

VII	**Actuarial Assumptions:**	**As at March 31, 2020**	As at March 31, 2019
1	Discount rate	**6.75%**	7.70%
2	Expected rate of salary increase	**4.00% p.a.**	4.75% p.a.
3	Attrition rate	**2.00%**	2.00%
4	Mortality	**Indian Assured Lives Mortality (2012-14) 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 Corporation and details of fund invested by insurer are not available with Company.

d) The Company expects to make a contribution of Rs. 4.45 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 holding 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.

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.

(43) 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	Total
March 31, 2020							
Secured Term Loans	116.19	137.27	-	-	-	-	253.46
Preference Share Capital	4.41	-	-	-	-	0.41	4.82
Long term Loans from Companies	1,477.68	188.90	-	-	-	-	1,666.58
Fixed Deposits	116.51	(67.69)	-	-	-	-	48.82
Working Capital Loans	383.24	(19.88)	-	-	-	-	363.36
Inter corporate Deposits	281.45	(78.07)	-	-	-	-	203.38
Lease Liability	-	(29.40)	-	-	-	57.28	27.88
Total	**2,379.48**	**131.13**	**-**	**-**	**-**	**57.69**	**2,568.30**
March 31, 2019							
Secured Term Loans	417.63	(301.44)	-	-	-	-	116.19
Preference Share Capital	3.97					0.44	4.41
Long term Loans from Companies	509.78	967.90					1,477.68
Fixed Deposits	146.51	(30.00)	-	-	-	-	116.51
Working Capital Loans	537.58	(154.34)		-	-	-	383.24
Inter corporate Deposits	341.74	(60.29)	-	-	-	-	281.45
Total	**1,957.21**	**421.83**	**-**	**-**	**-**	**0.44**	**2,379.48**

These cash movements are included in the cash flow statement: receipts from borrowing, repayment of borrowing.

(44) 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-20	31-Mar-19
(a) Subsidiaries			
Mukand Global Finance Ltd. (MGFL)	India	**100.00%**	100.00%
Vidyavihar Containers Ltd.	India	**100.00%**	100.00%
Mukand International Ltd. (100% upto 9th May 2019)	UK	**-**	100.00%
Mukand International FZE	UAE	**100.00%**	100.00%
Adore Traders & Realtors Private Ltd. (Wholly owned subsidiary of MGFL)	India	**100.00%**	100.00%
(b) Joint Ventures			
Mukand Sumi Metal Processing Ltd.	India	**51.00%**	60.07%
Mukand Vini Mineral Ltd.*	India	**49.01%**	49.01%
Mukand Sumi Special Steels Ltd.	India	**51.00%**	51.00%
Hospet Steel Ltd.	India	**28.00%**	28.00%
(c) Associates			
Mukand Engineers Ltd.	India	**36.11%**	36.11%
Bombay Forgings Ltd.	India	**24.00%**	24.00%
Stainless India Ltd.	India	**44.09%**	44.09%

* The Company had in the previous year filed form STK-2 with Registrar of Companies for striking off its name which is currently under process.

Notes (Contd.)

(45) 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, 2020:**								
a	**Non-Current Financial Assets**								
	Investments in Equity/Preference Instruments	1,394.01	14.64	19.97	**1,428.62**			1,408.65	**1,408.65**
	Other Financial Assets			15.45	**15.45**			-	-
b	**Current Financial Assets**								
	Trade Receivable			420.32	**420.32**			-	-
	Cash & Cash Equivalents			0.92	**0.92**			-	-
	Other Bank Balance			66.07	**66.07**			-	-
	Loans			109.60	**109.60**			-	-
	Other Financial Assets			177.63	**177.63**			-	-
		1,394.01	**14.64**	**809.96**	**2,218.61**	**-**	**-**	**1,408.65**	**1,408.65**
c	**Non-current Financial Liabilities**								
	Borrowings			1,894.16	**1,894.16**			-	-
d	**Current Financial Liabilities**								
	Short term borrowings			566.74	**566.74**			-	-
	Trade Payables			775.41	**775.41**			-	-
	Other Financial Liabilities	0.72		158.82	**159.54**		0.72	-	0.72
		0.72	**-**	**3,395.13**	**3,395.85**	**-**	**0.72**	**-**	**0.72**
2	**Financial Assets and Liabilities as at March 31, 2019:**								
a	**Non-Current Financial Assets**								
	Investments in Equity Instruments	1,420.05	13.08	19.97	1,453.10			1,433.13	1,433.13
	Other Financial Assets			15.67	15.67			-	-
b	**Current Financial Assets**								
	Trade Receivable			443.39	443.39			-	-
	Cash & Cash Equivalents			0.78	0.78			-	-
	Other Bank Balance			58.87	58.87			-	-
	Loans			69.63	69.63			-	-
	Other Financial Assets			276.30	276.30			-	-
		1,420.05	13.08	884.61	2,317.74	-	-	1,433.13	1,433.13
c	**Non-current Financial Liabilities**								
	Borrowings			1,564.47	1,564.47			-	-
	Other Financial Liabilities			4.00	4.00			-	-
d	**Current Financial Liabilities**								
	Short term borrowings			664.69	664.69			-	-
	Trade Payables			763.84	763.84			-	-
	Other Financial Liabilities	4.25		193.97	198.22		4.25	-	4.25
		4.25	-	3,190.97	3,195.22	-	4.25	-	4.25

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- 12.63%	Increase/ (Decrease) in significant unobservable input will (Decrease) / Increase fair value of the instrument

E. Reconciliation of Level 3 fair values:

Rs. in crore

Particulars	31-Mar-20	31-Mar-19
Opening balance	**1,433.13**	1,407.82
Additional Investment	**-**	-
Sale of Investment	**(40.54)**	-
Fair Value gain/loss recognized in:	**-**	-
Statement of profit and loss	**14.50**	23.67
Other comprehensive income	**1.56**	1.64
Other Equity	**-**	-
Closing balance	**1,408.65**	1,433.13

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 in crore

Significant unobservable input	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
0.5% Discount rate				
MSMPL	**(8.10)**	**9.08**	(12.99)	14.43
MSSSL	**(49.71)**	**56.48**	(66.28)	73.78

(46) 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. The 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 (net of provision) has been considered from the date the invoice falls due -

Rs. in crore

Particulars	31-Mar-20	31-Mar-19
0 to 180 days due past due date	**382.17**	372.71
More than 180 days past due date	**38.15**	70.68
	420.32	443.39

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-20	31-Mar-19
Opening Provision	**88.94**	88.16
Provision during the year	**15.75**	7.88
Reversal of provision	**(2.36)**	(7.10)
Closing provision	**102.33**	88.94

iii **Cash and bank balances**

The Company held cash and cash equivalent and other bank balance of Rs. 66.99 crores at March 31, 2020 (March 31, 2019: Rs 59.65 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 31 March 2020:**	**1 year or less**	**1-2 years**	**More than 2 years**	**Total**
	Non-Derivative				
	Long term borrowings	79.27	221.31	1,673.10	1,973.68
	Short term borrowings	566.74	-	-	566.74
	Trade payables	775.41	-	-	775.41
	Other financial liabilities	82.18	-	-	82.18
	Total	**1,503.60**	**221.31**	**1,673.10**	**3,398.01**
	Derivatives	194.32	-	-	194.32
	Total	**1,697.92**	**221.31**	**1,673.10**	**3,592.33**
					Rs. in crore
b	Contractual maturities of financial liabilities 31 March 2019:	1 year or less	1-2 years	More than 2 years	Total
	Non-Derivative				
	Long term borrowings	149.40	36.84	1,528.55	1,714.79
	Short term borrowings	664.69	-	-	664.69
	Trade payables	763.84	-	-	763.84
	Other financial liabilities	50.58	-	4.00	54.58
	Total	1,628.51	36.84	1,532.55	3,197.90
	Derivatives	252.43	-	-	252.43
	Total	1,880.94	36.84	1,532.55	3,450.33

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.

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-20**	31-Mar-19
Variable rate borrowings	**253.46**	116.19
Fixed rate borrowings	**2,286.96**	2,263.29
Total borrowings	**2,540.42**	2,379.48

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-20**	31-Mar-19
Interest rates – increase by 100 basis points *	**1.65**	0.52
Interest rates – decrease by 100 basis points *	**(1.65)**	(0.52)

* Holding all other variables constant

G Foreign Exchange Risk

a. Derivative instruments outstanding:

Rs. in crore

Particulars	**As at 31-Mar-20**		**Equivalent (in Rs.)**	As at 31-Mar-19		Equivalent (in Rs.)
For Imports	**USD**	**2.45**	**177.39**	USD	3.53	251.00
	EURO	**-**	**-**	EURO	-	-
For Exports	**USD**	**0.19**	**13.83**	USD	0.02	1.43
	EURO	**0.04**	**3.10**	EURO	-	-

b. Foreign Currency exposure that are not hedged by derivative instruments:

Amount in crore

Foreign Currency	Debtors in FC	Equivalent in Rs.	Creditors in FC	Equivalent in Rs.	Cash & Bank Balances in FC	Equivalent in Rs.	Other Payables in FC	Equivalent in Rs.	Export Advance in FC	Equivalent in Rs.	Other Receivable in FC	Equivalent in Rs.	Total in FC	Equivalent in Rs.
USD	**0.029**	**2.184**	**2.046**	**154.809**	**0.000**	**0.000**	**0.000**	**0.000**	**0.006**	**0.473**	**0.000**	**0.000**	**2.081**	**157.466**
	0.163	11.253	0.000	0.000	0.000	0.000	0.001	0.101	0.011	0.745	0.000	0.000	0.175	12.099
EURO	**0.039**	**3.200**	**0.019**	**1.570**	**0.000**	**0.000**	**0.000**	**0.008**	**0.014**	**1.173**	**0.000**	**0.000**	**0.072**	**5.950**
	0.000	0.000	0.030	2.303	0.000	0.000	0.005	0.354	0.000	0.000	0.000	0.000	0.034	2.657
AUD	**0.000**	**0.000**	**0.000**	**0.008**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.008**
	0.000	0.000	0.000	0.009	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.009
SEK	**0.000**	**0.000**	**0.018**	**0.135**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.018**	**0.135**
	0.000	0.000	0.018	0.134	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.018	0.134
											Total 2019-20		**2.17**	**163.56**
											Total 2018-19		0.23	14.90

Figures in Bold type relate to current year and figures in normal type relate to previous year.

c. Sensitivity if the Exchange rate moves upward / downward by Rs. 1/-

Rs. in crore

Liability Movement	Increase	Decrease
Upward movement	**2.17**	
	0.23	
Downward movement		**(2.17)**
		(0.23)

Figures in Bold type relate to current year and figures in normal type relate to previous year.

(47) 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, June 27, 2020

For and on behalf of Board of Directors

Niraj Bajaj
Chairman & Managing Director
DIN : 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN : 00021752

Suketu V Shah
Joint Managing Director
DIN : 00033407

Umesh V Joshi
Chief Financial Officer

A M Kulkarni
Chief Executive Officer

K J Mallya
Company Secretary

Mumbai, June 27, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

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 its joint ventures, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

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 auditor's 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 Companies Act, 2013 ("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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated loss (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 51(vii) to the Consolidated Ind AS financial statements, wherein the Statutory Auditor of Mukand Engineers Limited, an associate Company, have drawn reference without modifying their opinion to following note in their audit report:

We draw your attention to Note No. 44 of the financial Statement, which states that the Mukand Engineers Limited ("the Company") has incurred a net loss of Rs. 3,018 lakhs (loss after tax) during the year ending 31st March, 2020 and as of that date, the Company's current liabilities exceeded its total assets by Rs. 817 lakhs and has accumulated losses amounting to Rs. 5,039 lakhs (loss after tax), up to 31st March, 2020 resulting in to erosion of the Net Worth of the Company. During the period under review, fund flow of the Company has been impacted on account of general slow-down in the business, which may also seriously impair Company's financial position. This indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. However, keeping in mind the ongoing restructuring exercise by the Company, it is believed that the business will be able to generate sufficient profits in future to meet its financial obligations, these annual financial results have been prepared using going concern basis of accounting.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Appropriateness of estimation of cost to complete the project

The Holding Company generates part of its revenue from long term construction / project related activity and contracts for supply / commissioning of plant and equipment which is accounted under the percentage of completion method ("POC"), which is the proportion of cost of work performed to-date, to the total estimated contract costs.

Determination of revenue requires estimation of total contract costs which is done based on the actual cost incurred till date and the cost required to be incurred to complete the projects. The estimation of cost to complete involves exercise of significant judgment by the management and assessment of project data, estimates related to future costs and assumptions.

This has been considered as a key audit matter given the involvement of management judgment and any variation have consequential impact on the revenue recognised as per percentage of completion method.

How our audit addressed the Key Audit Matter:

We have performed the following procedures among others:

a) Understood and evaluated the design and tested the operating effectiveness of controls around estimation of costs to complete the project including the review and approval of estimated project cost.

b) Verified the contracts on test check basis entered by the Holding Company for the consideration and relevant terms and conditions relating to variations to the cost.

c) Obtained computation of estimated costs to complete the project and the percentage of project completion and verified the same against the contractual terms and the work orders placed with vendors.

d) Verified original invoices, purchase orders, receipts etc. for the actual costs incurred upto the year end date on test check basis.

e) Discussed the status of the projects with the Holding Company's project management team and evaluated the reasonableness of the estimates made by the management of costs to be incurred for completion of the respective projects.

f) Verified the revision in total cost of the contracts by comparing the Holding Company management estimates revised during the current year with the estimate made in earlier years and obtained reasons for such revision including verification of correspondence with the vendors in case of renegotiation of prices with them and the approvals for the same.

Emphasis of Matter

We draw attention to the following matters in the notes to the Statement:

I. Note 44 to the Consolidated Ind AS financial statements, which explains the uncertainties and the management's evaluation of the operational and financial impact on the Group, its associates and joint ventures due to lockdown and other restrictions on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

II. Note 13(b) to the Consolidated Ind AS financial statements, relating to exposures in Bombay Forgings Limited ("BFL") aggregating Rs. 38.18 crores (net of provision for expected credit loss) as at March 31, 2020. The management, barring any significant uncertainties in future, has considered the value of unencumbered fixed assets and current assets of BFL for the balance portion of exposure in BFL.

III. Note 42(B) to the Consolidated Ind AS financial statements, relating to the accounting treatment of goodwill amounting to Rs. 1,834.84 crores in the books of Mukand Sumi Special Steel Limited ("MSSSL"), a Joint Venture, which is amortised over its useful life in accordance with the scheme of Amalgamation as sanctioned by the National Company Law Tribunal ("NCLT"). As a consequence, depreciation and amortisation expense for the year ended March 31, 2020, in the books of MSSSL includes Rs. 91.74 crores on account of amortisation of goodwill. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) – 'Business Combinations' for business combinations of entities under common control. Had the accounting treatment prescribed under Ind AS 103 been followed, the depreciation and amortisation expense as well as loss before tax for the year ended March 31, 2020 would have been lower by Rs. 91.74 crores.

Our opinion is not modified in respect of these matters.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Director's Report and Management Discussion & Analysis, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of other auditor(s), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of its associates and joint ventures 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, its associates and joint ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies, associate companies and joint venture companies, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) Due to the COVID-19 related lockdown restrictions imposed by the government, management of the Holding Company was able to perform year end physical verification of inventory only at selected location. However, we were unable to physically observe the verification of inventory that was carried out by the management. Consequently, we have performed alternate audit procedures to obtain comfort over the existence of inventory at year end, as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on this statement. Our report is not modified in respect of this matter.

b) We did not audit the Ind AS financial statements of three (3) subsidiaries, whose Ind AS financial statements reflects total assets of Rs. 233.02 crores and net assets of Rs. (2.14) crores as at March 31, 2020, total revenues of Rs. 265.92 crores and net cash inflows amounting to Rs. 1.96 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. 10.90 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of One (1) associates, 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 section 143(3) 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 the above subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country and which has been audited by its independent auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding 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 its independent auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

c) We did not audit the Ind AS financial statements of one (1) Step down subsidiary, whose Ind AS financial statements reflects total assets of Rs. 96.34 crores and net assets of Rs. (18.06) crores as at March 31, 2020, total revenues of Rs. 16.15 crores and net cash inflows amounting to Rs. 0.12 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 10.50 crores for the year ended March 31, 2020, 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, joint ventures and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid step down subsidiary 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 Holding Company management, these Ind AS financial statements are not material to the Group including its associates and joint ventures.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters in (b) & (c) with respect to our reliance on the work done and the reports of the other auditor's and the Ind AS financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the Other Matters section above 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 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 Statement of Cash Flows 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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 venture companies, incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies, incorporated in India, is disqualified as on March 31, 2020 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 with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

   In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, the remuneration paid/ provided to their directors during the year by the Holding Company, subsidiary companies, associate companies and joint venture companies incorporated in India is in accordance with the provisions of section 197 of the Act;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The consolidated 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 37 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; and

   (iii) There has been no delay in transferring amounts, required to be transfered, to the Investor Education and Protection Fund by the Group, Associates and Joint Ventures.

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

Sumant Sakhardande
Partner
Membership No.: 034828
UDIN: 20034828AAAADH9149

Place: Mumbai
Date: June 27, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' section in our 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, 2020]

Report on the Internal Financial Controls with reference to Financial Statements 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 Mukand Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, 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 Holding Company, its subsidiary companies, 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 with reference to financial statements 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 (the "Guidance Note") 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements of Holding Company, its subsidiary companies, its associate companies and joint venture companies.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note 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 with reference to financial statements in so far as it relates to three (3) subsidiary companies and one (1) associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Sumant Sakhardande
Partner
Membership No.: 034828
UDIN: 20034828AAAADH9149

Place: Mumbai
Date: June 27, 2020

Consolidated Balance Sheet as at 31st March, 2020

(Rs. in crore)

				Note No.	31-Mar-20 Rs. in crore	31-Mar-19 Rs. in crore
I	**ASSETS**					
	1	**Non-current assets**				
		(a)	Property, plant and equipment	2 (i)	**466.62**	505.22
		(b)	Capital work-in-progress	2 (ii)	**23.92**	19.96
		(c)	Intangible assets	2 (iii)	**0.08**	0.09
		(d)	Intangible assets under Implementation	2 (iii)	**6.29**	2.95
		(e)	Right of Use Assets	2 (iv)	**48.86**	-
		(f)	Investment in Joint Ventures and Associates	3	**1,213.71**	1,286.14
		(g)	Financial Assets			
			i) Investments	4	**0.47**	0.67
			ii) Other financial assets	5	**15.46**	15.68
		(h)	Deferred tax assets(net)	6	**12.11**	2.56
		(i)	Income Tax Assets (net)	7	**51.50**	49.91
		(j)	Other non-current assets	8	**67.01**	78.31
			Total Non-current assets		**1,906.03**	1,961.49
	2	**Current Assets**				
		(a)	Inventories	9	**1,367.44**	1,254.04
		(b)	Financial Assets			
			i) Trade receivables	10	**418.31**	455.03
			ii) Cash and cash equivalents	11	**9.99**	7.80
			iii) Bank balances other than (ii) above	12	**68.16**	60.92
			iv) Loans	13	**333.20**	273.14
			v) Other financial assets	14	**215.36**	306.12
		(c)	Income Tax Assets (net)		**2.16**	-
		(d)	Other current assets	15	**139.24**	149.33
			Total Current assets		**2,553.86**	2,506.38
			Total Assets		**4,459.89**	4,467.87
II	**EQUITY AND LIABILITIES**					
		Equity				
		(a)	Share capital	16	**141.42**	141.42
		(b)	Other equity	17	**529.25**	773.54
			Total Equity		**670.67**	914.96
		Liabilities				
		1	**Non Current Liabilities**			
		(a)	Financial Liabilities			
			i) Borrowings	18	**1,894.16**	1,567.78
			ii) Other financial liabilities	19	**-**	4.00
		(b)	Provisions	20	**34.69**	33.94
		(c)	Deferred tax liabilities (Net)	6	**-**	48.21
			Total Non-current liabilities		**1,928.85**	1,653.93
		2	**Current Liabilities**			
		(a)	Financial Liabilities			
			i) Borrowings	21	**784.67**	860.07
			ii) Trade payables due to:	22		
			Micro and Small Enterprises		**4.81**	3.67
			Other than Micro and Small Enterprises		**756.95**	758.13
			iii) Other financial liabilities	23	**183.78**	213.57
		(b)	Other current liabilities	24	**120.12**	54.01
		(c)	Provisions	25	**10.04**	9.53
			Total Current liabilities		**1,860.37**	1,898.98
			Total Equity and Liabilities		**4,459.89**	4,467.87
	Significant accounting policies			1		
	Notes forming part of Consolidated Financial Statements			2 - 52		

As per our attached report of even date

For and on behalf of Board of Directors

For Haribhakti & Co. LLP	**Niraj Bajaj**	**Rajesh V Shah**	**Suketu V Shah**
Chartered Accountants	Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
ICAI Firm Registration No. 103523W / W100048	DIN : 00028261	DIN : 00021752	DIN : 00033407
Sumant Sakhardande	**Umesh V Joshi**	**A M Kulkarni**	**K J Mallya**
Partner	Chief Financial Officer	Chief Executive Officer	Company Secretary
Membership No. 034828			
Mumbai, June 27, 2020	Mumbai, June 27, 2020		

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in crore)

		Note No.	Year Ended 31st March 2020	Year Ended 31st March 2019
I.	**Revenue from Operations**	26	**2,922.69**	3,689.46
II.	**Other income**	27	**68.24**	60.13
III.	**Total Revenue (I + II)**		**2,990.93**	3,749.59
IV.	**Expenses:**			
(a)	Cost of materials consumed	28	**1,520.58**	1,916.87
(b)	Purchases of Stock-in-Trade		**119.01**	119.18
(c)	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	**(26.03)**	(17.96)
(d)	Employee benefits expense	30	**189.92**	209.68
(e)	Finance costs	31	**363.97**	326.51
(f)	Depreciation and amortization expense	32	**75.41**	58.30
(g)	Other Expenses	33	**998.92**	1,315.97
(h)	Expenditure transferred to Capital Accounts / Capital Work-in-Progress		**(4.17)**	(1.81)
	Total expenses		**3,237.61**	3,926.74
V.	**Profit/(loss) before tax and Share in Profit of Associates and Joint Ventures (III-IV)**		**(246.68)**	(177.15)
	Add: Share in Profit of Associates and Joint Ventures		**(49.77)**	18.87
VI.	**Profit before tax**		**(296.45)**	(158.28)
VII.	**Tax expense:**	34		
	Current tax		**(0.29)**	(0.07)
	Deferred Tax (Expense) / Credit		**80.35**	42.87
	Total Tax Expense		**80.06**	42.80
	Profit/(Loss) for the year before tax adjustment pertaining to earlier years		**(216.39)**	(115.48)
	Tax adjustments due to reversal of Deferred Tax credit taken in earlier years on account of lapsing of business loss		**(23.49)**	-
VIII.	**Profit/(Loss) for the year (VI - VII)**		**(239.88)**	(115.48)
IX.	**Other Comprehensive income (net)**			
1	**Items that will not be reclassified to Statement of Profit & Loss :-**			
	(i) Actuarial Gain on Employee defined benefit funds		**1.48**	3.20
	Less : Deferred tax Expense		**(0.47)**	(1.00)
	(ii) Share of other comprehensive income of investments accounted for using the equity method, net of tax.		**(0.61)**	(0.19)
2	**Items that will be reclassified to Statement of Profit & Loss :-**			
	Exchange Fluctuation on Translating Foreign Operation		**1.53**	0.85
	Total Other Comprehensive income (net)		**1.93**	2.86
X.	**Total Comprehensive Income for the year (VIII + IX)**		**(237.95)**	(112.62)
XI.	**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.)	35	**(16.96)**	(8.17)
Significant accounting policies		1		
Notes forming part of Consolidated Financial Statements		2 - 52		

As per our attached report of even date

For and on behalf of Board of Directors

For Haribhakti & Co. LLP	**Niraj Bajaj**	**Rajesh V Shah**	**Suketu V Shah**
Chartered Accountants	Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
ICAI Firm Registration No. 103523W / W100048	DIN : 00028261	DIN : 00021752	DIN : 00033407
Sumant Sakhardande	**Umesh V Joshi**	**A M Kulkarni**	**K J Mallya**
Partner	Chief Financial Officer	Chief Executive Officer	Company Secretary
Membership No. 034828			
Mumbai, June 27, 2020	Mumbai, June 27, 2020		

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity share capital (refer Note No. 16)

Rs. in crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the reporting year	**141.42**	141.42
Changes in Equity Share capital during the year	**-**	-
Balance at the end of the reporting year	**141.42**	141.42

B. Other Equity (refer Note No. 17)

Rs. in crore

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 31st March, 2018	100.32	3.00	169.66	3.77	655.86	(0.05)	1.31	4.46	938.33
Profit for the year	-	-	-	-	(115.48)	-	-	-	(115.48)
Other comprehensive income (net of tax)	-	-	-	-	-	0.85	(0.19)	2.20	2.86
Adjustment arising out of consolidation	-	-	-	-	(52.17)	-	-	-	(52.17)
Balance as at 31st March, 2019	**100.32**	**3.00**	**169.66**	**3.77**	**488.21**	**0.80**	**1.12**	**6.66**	**773.54**
Profit for the year	-	-	-	-	(239.88)	-	-	-	(239.88)
Other comprehensive income (net of tax)	-	-	-	-	-	1.53	(0.61)	1.01	1.93
Share issue expenses	(0.09)	-	-	-	-	-	-	-	(0.09)
Transfer to Other Reserve	-	-	-	0.06	(0.06)	-	-	-	-
"Opening IND AS 116 Reserve effect (Refer Note No. 39)"	-	-	-	-	(3.02)	-	-	-	(3.02)
Adjustment arising out of consolidation	-	-	-	-	(3.23)	-	-	-	(3.23)
Balance as at 31st March, 2020	**100.23**	**3.00**	**169.66**	**3.83**	**242.02**	**2.33**	**0.51**	**7.67**	**529.25**

As per our attached report of even date

For and on behalf of Board of Directors

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

Niraj Bajaj
Chairman & Managing Director
DIN : 00028261

Rajesh V Shah
Co-Chairman & Managing Director
DIN : 00021752

Suketu V Shah
Joint Managing Director
DIN : 00033407

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, June 27, 2020

Umesh V Joshi
Chief Financial Officer

A M Kulkarni
Chief Executive Officer

K J Mallya
Company Secretary

Mumbai, June 27, 2020

Consolidated Statement of Cash flow for the year ended 31st March, 2020

(Rs. in crore)

	Particulars	For the year ended			
		31st March 2020		31st March 2019	
A	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before exceptional items and tax		**(246.68)**		(177.15)
	Adjustments for:				
	Depreciation/amortisation/Impairment Expenses	**75.41**		71.96	
	Surplus on account of sale of assets	**(1.49)**		(7.07)	
	Loss on sale of assets	**0.03**		0.20	
	Net gain on fair value changes/disposal of equity instruments	**(13.22)**		(0.18)	
	Interest expense (net)	**319.23**		381.35	
	Dividend Income	**(0.01)**		(1.65)	
	Credit balances appropriated	**(0.08)**		(7.24)	
	Excess provisions written back (net)	**(4.21)**		(2.39)	
	Provision/(write back) for doubtful debts and advances (net)	**13.87**		13.95	
	Provision for warranty	**0.21**		(0.19)	
	Provision for Long Term & Short Term Employee Benefits	**1.05**		(0.69)	
	Loss on variation in foreign exchange rates (net)	**2.82**	**393.61**	24.00	472.05
	Cash Generated from operations before working capital changes		**146.93**		294.90
	Adjustments for:				
	(Increase)/Decrease in inventories	**(113.40)**		(149.06)	
	(Increase)/Decrease in trade receivables	**21.56**		(189.75)	
	(Increase)/Decrease in other non-current & Current financial assets	**54.36**		305.63	
	(Increase)/Decrease in other non-current & Current assets	**0.63**		(36.31)	
	Increase/(Decrease) in trade payables	**4.25**		(211.48)	
	Increase/(Decrease) in other non-current & Current financial liabilities	**(28.38)**		(25.51)	
	Increase/(Decrease) in other non-current & Current liabilities	**66.11**		(45.69)	
	Increase/(Decrease) in non-current & Current provisions	**1.48**	**6.61**	3.52	(348.65)
	Cash generated from operations		**153.54**		(53.75)
	Taxes paid (net of refunds)		**(4.04)**		(2.00)
	Net cash generated from operating activities - [A]		**149.50**		(55.75)
B	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Property Plant & Equipment	**(22.17)**		(11.25)	
	Sale proceeds of Property Plant & Equipment	**1.54**		16.81	
	Sale proceeds of Investments	**32.20**		-	
	Dividend Income	**0.01**		1.65	
	Net cash (used in)/generated from investing activities - [B]		**11.58**		7.21

Consolidated Statement of Cash flow for the year ended 31st March, 2020 (Contd.)

(Rs. in crore)

Particulars			For the year ended			
			31st March 2020		31st March 2019	
C	**CASH FLOW FROM FINANCING ACTIVITIES:**					
	Proceeds from issue of Preference Shares		**1.13**		-	
	Payment towards part redemption of Preference Shares		**(1.13)**		-	
	Increase/(Decrease) in working capital Loans from bank		**(19.88)**		(154.34)	
	Increase/(Decrease) in other unsecured loans (net)		**11.83**		787.51	
	Increase/(Decrease) in Term Loans (Net)		**187.65**		(114.19)	
	Increase/(Decrease) in Fixed Deposits taken		**1.18**		(68.77)	
	Payment towards Liability against Right to Use Assets		**(29.40)**		-	
	Interest paid/expences related to issue of shares		**(310.27)**		(410.69)	
	Net cash (used in) financing activities - [C]			**(158.89)**		39.52
	Net (decrease) in cash and cash equivalents - [A+B+C]			**2.19**		(9.02)
	Add: Cash and cash equivalents at the beginning of the year - (Note No. 11)			**7.80**		16.82
	Cash and cash equivalents at the end of the year - (Note No. 11)			**9.99**		7.80
	Significant accounting policies	1				
	Notes forming part of Consolidated Financial Statements	2 - 52				

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 AS 7-Statement of Cash Flows.
3. Refer Note No. 46 for reconciliation of liabilities arising from Financing activities.

As per our attached report of even date

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

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai, June 27, 2020

For and on behalf of Board of Directors

Niraj Bajaj Chairman & Managing Director DIN : 00028261	**Rajesh V Shah** Co-Chairman & Managing Director DIN : 00021752	**Suketu V Shah** Joint Managing Director DIN : 00033407
Umesh V Joshi Chief Financial Officer	**A M Kulkarni** Chief Executive Officer	**K J Mallya** Company Secretary

Mumbai, June 27, 2020

Group Overview

The consolidated financial statements comprise of Mukand Limited (“”the Company””, “”holding company””, “”parent””), its subsidiaries, associates and joint ventures (collectively, “”the Group””) for the year ended 31st March, 2020.

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 400 021. 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, 2020 were approved by the Board of Directors of holding company on June 27, 2020.

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

1) Certain financial assets and liabilities that are measured at fair value and amortised cost.

2) Assets held for sale - measured at the lower of carrying amount or fair value less costs to sell.

3) Defined benefit plans - plan assets 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 crore, 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 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) 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. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

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 Consolidated 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.

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 Consolidated 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.

Intangible Assets under Implementation includes cost of accounting software under installation / under development as at the balance sheet date.

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 Consolidated 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

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group lease asset classes primarily consist of leases for land and buildings and vehicles. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the lease term. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date of the lease, the Group recognises lease liability measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease Liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the Group is a lessor is classified as finance or operating lease. 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 Consolidated 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 Consolidated Statement of Profit and Loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated 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 Consolidated Statement of Profit and Loss and presented net in the Consolidated 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 Consolidated Statement of Profit and Loss.

Preference Instruments are stated at amortised costs.

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
- Trade payables
- Lease Deposits
- Lease Liability

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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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. Goods-in-Transit are stated ‘at cost’.

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 Consolidated Statement of Profit and Loss as and when issued for consumption.

The inventories resulting from intra-group transactions have been stated at cost after deducting unrealised profit on such transactions.

(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 Consolidated 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 Consolidated Financial Statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the Consolidated Financial Statements. If the inflow of economic benefits is probable, then it is disclosed in the Consolidated 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 Consolidated Statement of Profit and Loss.

The obligations are presented as current liabilities in the Consolidated 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 Consolidated 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 Consolidated 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 operating 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 Consolidated 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 Consolidated 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 for 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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

The Group 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 rendering of comprehensive engineering services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Revenue from sale of products and services is recognised at a time when the performance obligation is satisfied except Revenue from Engineering Contracts where in revenue is recognized over the time from the financial year in which the agreement to sell (containing salient terms of agreement to sell) is executed. The period over which revenue is recognised is based on entity's right to payment for performance completed.

In determining whether Company has right to payment, the Company shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than Company's failure to perform as per the terms of the contract.

The revenue recognition of Engineering Contracts under progress requires forecasts to be made of total budgeted costs with the outcomes of underlying contracts, which further require assessments and judgements to be made on changes in scope of work and other payments to the extent they are probable and they are capable of being reliably measured. However, where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately in the Statement of Profit and Loss."

Revenue from Engineering Contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenues in excess of invoicing are classified as contract assets (which is referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is referred to as unearned revenues). The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Engineering Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event, transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and Company has an enforceable right to payment for performance completed to date."

In case of performance obligations, where any of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Export incentives

Export Incentives under various schemes are 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:

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. **Use of significant judgements in revenue recognition:** The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

   The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

   Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.

   Revenue from Engineering Contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation."

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.

ix. **Leases:** The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(x) **Changes in accounting policies and disclosures:**

New and amended standards

The Group applied Ind AS 116 – Leases ('Ind AS 116') for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in Note 39 to the financial statements of the Group.

Several other amendments and interpretations apply for the first time in financial year ending March 2020, but do not have an impact on the financial statements of the Group.

(y) Standard issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Note 2 : Property, plant and equipment, CWIP & Intangible Assets.

Rs. in crore

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01st April, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2020	As at 01st April, 2019	Depreciation for the year	Deductions/ Adjustments	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
i) Property, plant and equipment										
Freehold Land	9.17	-	0.01	9.16	-	-	-	-	9.16	9.17
Railway Siding	13.82	-	-	13.82	8.99	1.02	-	10.01	3.81	4.83
Buildings and Roads	200.06	0.04	-	200.10	105.42	5.55	-	110.97	89.13	94.64
Plant and Machinery	1,229.30	12.48	4.84	1,236.94	837.96	43.68	4.80	876.84	360.10	391.34
Furniture, Fixtures, etc.	7.83	-0.06	0.03	7.74	4.76	0.43	0.03	5.16	2.58	3.07
Office Machinery	2.35	0.08	0.07	2.36	2.15	0.11	0.05	2.21	0.15	0.20
Vehicles	4.86	0.20	0.02	5.04	2.89	0.47	0.01	3.35	1.69	1.97
Total	**1,467.39**	**12.74**	**4.97**	**1,475.16**	**962.17**	**51.26**	**4.89**	**1,008.54**	**466.62**	**505.22**
ii) Capital Work-in-Progress, expenditure upto date									23.92	19.96
iii) Intangible Assets										
Software	1.64	-	-	1.64	1.55	0.01	-	1.56	0.08	0.09
Goodwill	0.15	-	-	0.15	0.15	-	-	0.15	-	-
Intangible assets under Implementation									6.29	2.95
Total	**1.79**	**-**	**-**	**1.79**	**1.70**	**0.01**	**-**	**1.71**	**6.37**	**3.04**
iv) Right of Use Assets										
Leasehold Land (Reclassification on account of adoption of Ind AS 116) - Refer Note No. 39	-	25.38	-	25.38	-	0.33	-	0.33	25.05	-
Plant & Machinery (Transition impact on account of adoption of Ind AS 116 and addition) - Refer Note No. 39	-	47.62	-	47.62	-	23.81	-	23.81	23.81	-
Total	**-**	**73.00**	**-**	**73.00**	**-**	**24.14**	**-**	**24.14**	**48.86**	**-**
Total (i) + (ii) + (iii) + (iv)	**1,469.18**	**85.74**	**4.97**	**1,549.95**	**963.87**	**75.41**	**4.89**	**1,034.39**	**545.77**	**528.22**

Note 2 : Property, plant and equipment, CWIP & Intangible Assets.

Rs. in crore

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01st April, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2019	As at 01st April, 2018	Depreciation for the year	Deductions/ Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
i) Property, plant and equipment										
Freehold Land	16.38	-	7.22	9.16	-	-	-	-	9.16	16.38
Railway Siding	13.82	-	-	13.82	7.97	1.02	-	8.99	4.83	5.85
Buildings and Roads	199.35	0.97	0.26	200.06	100.08	5.54	0.20	105.42	94.64	99.27
Plant and Machinery	1,228.21	9.87	8.77	1,229.31	793.47	50.67	6.18	837.96	391.35	434.74
Furniture, Fixtures, etc.	7.72	0.29	0.18	7.83	4.50	0.42	0.16	4.76	3.07	3.22
Office Machinery	2.27	0.17	0.09	2.35	2.14	0.09	0.08	2.15	0.20	0.13
Vehicles	5.03	0.11	0.28	4.86	2.60	0.53	0.24	2.89	1.97	2.43
Total	**1,472.78**	**11.41**	**16.80**	**1,467.39**	**910.76**	**58.27**	**6.86**	**962.17**	**505.22**	**562.02**
ii) Capital Work-in-Progress, expenditure upto date									19.96	23.40
iii) Intangible Assets										
Software	1.64	-	-	1.64	1.52	0.03	-	1.55	0.09	0.12
Goodwill	0.15	-	-	0.15	0.15	-	-	0.15	-	-
Intangible assets under Implementation									2.95	-
Total	**1.79**	**-**	**-**	**1.79**	**1.67**	**0.03**	**-**	**1.70**	**3.04**	**0.12**
Total (i) + (ii) + (iii)	**1,474.57**	**11.41**	**16.80**	**1,469.18**	**912.43**	**58.30**	**6.86**	**963.87**	**528.22**	**585.54**

Other Notes :

(i) Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note No. 18 & 21 on borrowings.

(ii) Refer to Note No. 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Property Plant & Equipment include borrowing costs of Rs. 0.57 crore capitalised during the year (31st March, 2019 Rs. 0.22 crore).

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

Intangible assets under implementation includes cost of accounting software under development including directly attributable cost.

(v) Gross Block of Buildings as at 31st March, 2020 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, 2019 - Rs. 6.33 crore) [including cost of shares in co-operative societies Rs. 7,000/- (31st March, 2019- Rs. 7,000/-)].

Note 3: Investments in Associates and Joint Ventures (Rs in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments in Equity Instruments		
(A) Investments in Associates		
(i) Mukand Engineers Limited (Quoted)		
4,539,781 (March 31, 2019: 4,539,781) equity shares of Rs. 10/- each fully paid up	**19.78**	19.78
Opening Share of post acquisition accumulated Profit/(Loss)	**(2.10)**	5.98
Share of Current Profit/(Loss)	**(10.90)**	(8.00)
Share of Other Comprehensive Income	**(0.51)**	(0.08)
	6.27	17.68
(ii) Stainless India Limited (Unquoted)		
6,097,200 (March 31, 2019: 6,097,200) equity shares of Rs. 10/- each fully paid up	**13.68**	13.68
Opening Share of post acquisition accumulated Profit/(Loss)	**(13.68)**	(13.68)
	-	-
(iii) Bombay Forgings Limited (Unquoted)		
28,800 (March 31, 2019: 28,800) equity shares of Rs. 66.67/- each fully paid up	**0.19**	0.19
Opening Share of post acquisition accumulated Profit/(Loss)	**(0.19)**	(0.19)
Share of Current Profit/(Loss)	**-**	-
	-	-
Investment in Associates (A)	**6.27**	17.68
(B) Investments in Joint Ventures (unquoted)		
(i) Mukand Sumi Metal Processing Limited		
13,923,000 (March 31, 2019: 16,400,000) equity shares of Rs. 10/- each fully paid up	**163.56**	163.56
Opening Share of post acquisition accumulated Profit/(Loss)	**(36.90)**	(46.86)
Dividend	**(3.28)**	-
Share of Current Profit/(Loss)	**0.83**	9.97
Share of Other Comprehensive Income	**0.05**	(0.01)
Cost of 9.07% MSMPL shares sold *	**(18.77)**	-
	105.49	126.66
During the month of March 2020, Company divested 9.07% of equity Share capital held by it in Mukand Sumi Metal Processing Ltd., (MSMPL) to its Joint Venture partner Sumitomo Corporation, Japan. Company now holds 51% in the equity capital of MSMPL. The results for the year includes profit of Rs. 13.43 Crore under the head "other income", being the difference between sales consideration and the cost.		
(ii) Mukand Sumi Special Steel Limited (MSSSL) (formerly known as Mukand Alloy Steel Ltd)		-
21,208,729 (March 31, 2019: 21,708,729) equity shares of Rs. 10/- each fully paid up	**0.18**	0.18
Opening Share of post acquisition accumulated Profit/(Loss)/Adjustment due to loss of Control	**1,141.62**	1,124.82
Share of Current Profit/(Loss)	**(39.70)**	16.90
Share of Other Comprehensive Income	**(0.15)**	(0.10)
	1,101.95	1,141.80
(iii) Hospet Steels Limited		
70,004 (March 31, 2019: 70,004) equity shares of Rs. 10/- each fully paid up	**0.10**	0.10
Share of post acquisition accumulated Profit/(Loss)	**(0.10)**	(0.10)
	-	-
(iv) Mukand Vini Mineral Ltd		
852,800 (March 31, 2019: 852,800) equity shares of Rs. 10/- each fully paid up	**0.85**	0.85
Share of post acquisition accumulated Profit/(Loss)	**(0.85)**	(0.85)
Share of Current Profit/(Loss)	**-**	-
	-	-
Investments in Preference Instruments		
Mukand Sumi Special Steel Limited (MSSSL) (formerly known as Mukand Alloy Steel Ltd)		
100 (March 31, 2019 : 100) Optionally Convertible Redeemable Preference Shares of Rs. 10/- each fully paid up (CY Rs. 45,000/-, PY Rs. 45,000/-).	**-**	-
	-	-
Investment in Joint Ventures (B)	**1,207.44**	1,268.46
Total investment in Associates and Joint ventures (A + B)	**1,213.71**	1,286.14
Aggregate amount of quoted investments	**6.27**	17.68
Market Value of quoted investments	**3.09**	7.94
Aggregate amount of unquoted investments	**1,207.44**	1,268.46
Aggregate amount of impairment in the value of investments	**-**	-

Notes (Contd.)

Note 4: Non-Current Investments

(Rs in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
A) Investment in Equity Instruments		
i) Quoted investments carried at Fair value through Profit and Loss		
Bajaj Holdings & Investment Limited		
850 (March 2019: 850) Equity Shares of Rs.10/- each, fully paid up	**0.16**	0.29
ICICI Bank Limited		
9,625 (March 2019: 9625) Equity Shares of Rs.2/- each, fully paid up	**0.31**	0.38
Total Other Investments	**0.47**	0.67
Investment aggregating to Rs. 0.004 crore is not disclosed above on the basis of materiality		
Aggregate amount of quoted investments	**0.47**	0.67
Market Value of quoted investments	**0.47**	0.67
Aggregate amount of unquoted investments	**-**	-
Aggregate amount of impairment in the value of investments	**-**	-

Note 5: Others financial assets - non current

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Security & Other Deposits	**15.45**	15.36
Margin Money Deposits (under lien with Banks)	**-**	0.31
Others	**0.01**	0.01
Total	**15.46**	15.68

Note 6: Deferred tax assets/liabilities (net)

(Rs. in crore)

Particulars	At April 01, 2018	(Charged) / Credited to P & L	(Charged) / Credited to OCI	Other Adjustment	At March 31, 2019	(Charged) / Credited to P & L	(Charged) / Credited to OCI	Other Adjustment	At March 31, 2020
Provision for Employee benefits	11.60	(0.50)	(1.34)		9.76	(0.39)	(0.47)	-	8.90
Taxes and duties	0.25	-	-		0.25	-	-	-	0.25
Provision for doubtful debts	30.32	0.44	-		30.76	4.18	-	-	34.94
Unabsorbed depreciation / Business Loss	179.13	54.76	-		233.89	45.64	-	-	279.53
Difference between book depreciation and tax depreciation	(91.61)	2.85	-		(88.76)	-	-	-	(88.76)
Effect of measurement of Financial Instruments	(70.57)	(5.76)	-		(76.33)	(1.83)	(0.32)	-	(78.48)
Others	(0.32)	(3.89)	-		(4.21)	10.98	-	1.37	8.14
Effect of Deferred Tax on CFS adjustments	(130.96)	(5.03)	0.34	(53.26)	(188.91)	(1.72)	0.32	-	(190.31)
MAT Entitlement Credit	37.90	-	-		37.90	-	-	-	37.90
Total	**(34.26)**	**42.87**	**(1.00)**	**(53.26)**	**(45.65)**	**56.86**	**(0.47)**	**1.37**	**12.11**

(Rs. In crore)

Summary of Deferred Tax Asset/Liabilities :	31-Mar-20	31-Mar-19
Deferred Tax Asset	**12.11**	2.56
Deferred Tax Liabilities	**-**	48.21
Total (net)	**12.11**	(45.65)

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

b) Mukand Ltd. has recognised deferred tax assets on carried forward tax losses. It has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets and it is expected to generate taxable income in near future. The losses can be carried forward for a period of 8 years as per local tax regulations and it expects to recover the losses.

Note 7: Income tax assets (net)

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Payment of Taxes	**62.06**	60.67
Less: Provision for tax	**(10.56)**	(10.76)
Total (net)	**51.50**	49.91

Notes (Contd.)

Note 8: Other non-current assets

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with Government Authorities*	**33.58**	37.48
Lease Hold Land - Long Term Prepaid Rental Expenses	**-**	25.05
Capital Advances	**33.43**	15.78
Total	**67.01**	78.31

* Includes National Savings Certificates of the cost of Rs 44,000/-(31st March 2019 : Rs. 44,000/-) deposited with government departments.

Note 9: Inventories

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	**483.83**	391.98
Work-in-progress	**149.22**	75.20
Finished goods	**662.64**	709.99
Stores, Spares, Components and Engineering Construction Materials	**63.25**	68.75
Loose Tools	**0.15**	0.12
Contracts in Progress	**6.19**	6.83
Fuel	**2.16**	1.17
Total	**1,367.44**	1,254.04
Included in inventories - goods in transit as follows :		
Raw materials	**205.42**	112.46
Stores, Spares, Components and Engineering Construction Materials	**4.32**	8.62
Total	**209.74**	121.08

Note (i): Certain inventories stated above are hypothecated to working capital lenders, Also refer Note No. 18 & 21

Note (ii): Amounts recognised in Statement of Profit and loss:

Write-down of Stores & Spares to net realisable value amounted to Rs 0.16 crore (31st March, 2019 Rs 0.14 crore). These were recognised as expense during the year and included in the Statement of Profit and Loss

Note 10: Trade receivables

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, Considered Good	**418.31**	455.03
Unsecured, Considered doubtful	**71.86**	57.04
Less : Provision for Expected Credit loss	**(71.86)**	(57.04)
Total	**418.31**	455.03

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 No. 48.

Note (c): For receivables secured against borrowings, see Note No. 18 & 21

Note (d): For receivables due from related parties, refer Note No. 43

Note 11: Cash and cash equivalents

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks in current accounts	**9.86**	7.70
Cash on hand	**0.13**	0.10
Total	**9.99**	7.80

There are no restrictions with regards to bank balances as at the end of the reporting period and prior periods.

Notes (Contd.)

Note 12: Other Bank Balances (Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks in		
Unpaid dividend Accounts (Rs. 1,699/- PY. Rs. 2,565/-)	**-**	-
In Margin Money Accounts *	**56.62**	45.12
In Deposit Accounts@	**11.54**	15.80
Total	**68.16**	60.92

*under lien with banks

@ earmarked towards repayment of Public Fixed Deposits of Rs. 9.48 crores (PY. Rs. 13.84 crores)

Note 13: Loans - Current (Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good		
Loans to Others	**346.37**	287.80
Less : Provision for expected credit loss	**(13.17)**	(14.66)
Total	**333.20**	273.14

Note: (a) No loans are due from 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 Mukand Ltd has investments of Rs. 0.19 crore (31-Mar-19 Rs.0.19 crore) in equity shares of Bombay Forgings Limited (BFL), and has trade receivables/ advances recoverable from BFL which stood at Rs. 90.99 crore as at 31-Mar-20 (31-Mar-19 Rs. 92.04 crore) (collectively referred to as 'Exposures'). Adequate provisions of Rs.53 crore (approximately) (31-Mar-19 Rs. 48 crore) against trade receivables has been made in the accounts by way of expected credit loss. The management, taking into account the value of unencumbered fixed assets and value of current assets of BFL considers the balance dues 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. 48 for Financial risk disclosure

(d) For details of loans given to related parties, please refer Note No. 43

Note 14: Other Financial Assets - Current (Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Unbilled Revenue	**176.26**	260.77
Less : Provision for expected credit loss	**(20.35)**	(22.71)
	155.91	238.06
Interest Receivable	**58.02**	66.87
Employee advances	**0.17**	0.23
Deposits	**0.10**	0.10
Others	**1.16**	0.86
Total	**215.36**	306.12

Note 15: Other current assets (Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances to suppliers and others	**110.25**	145.20
Balances with statutory/government authorities	**1.41**	0.29
Export Benefits receivables	**1.93**	1.87
Prepaid expenses	**25.65**	1.97
Total	**139.24**	149.33

Notes (Contd.)

Note 16 : Equity Share Capital

(a) Authorised & Issued Share capital:

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised Share Capital		
14,80,00,000 (March 31, 2019: 15,30,00,000) Equity Shares of Rs. 10 each	**148.00**	153.00
Issued Share Capital		
14,62,73,934 * (March 31, 2019: 14,62,73,934 *) Equity Shares of Rs. 10 each.	**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 crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
141,405,861 (March 31, 2019: 141,405,861) Equity shares of Rs. 10 each	**141.41**	141.41
Forfeited shares (amount originally paid up)	**0.01**	0.01
Total subscribed and fully paid share capital	**141.42**	141.42

(c) Reconciliation of number of equity shares

(Rs. in crore)

Particulars	31st March, 2020		31st March, 2019	
	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	31st March, 2020		31st March, 2019	
	No. of Shares	**% of holding**	No. of Shares	% of holding
Jamnalal Sons Private Limited	**28,244,773**	**19.97%**	28,244,773	19.97%
Bajaj Holdings & Investments Limited	**8,113,564**	**5.74%**	8,113,564	5.74%
Baroda Industries Private Limited	**17,003,577**	**12.02%**	17,003,577	12.02%
Niraj Bajaj	**11,786,730**	**8.34%**	11,786,730	8.34%
Rajesh V. Shah	**7,202,007**	**5.09%**	7,202,007	5.09%

(e) Rights, preferences and restrictions attached to shares

Mukand Ltd ('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. Mukand Ltd 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 2020, the amount of dividend per share recognized as distribution to equity shareholders was Rs. Nil (31 March 2019 : 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.

(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.

Notes (Contd.)

Note 17 : Other Equity (Rs. in crore)

Particulars	Note	**As at 31st March 2020**	As at 31st March 2019
Capital redemption reserve	(i)	**3.00**	3.00
Securities Premium	(ii)	**100.23**	100.32
Reserve Fund in terms of Section 45 I C (i) of Reserve Bank of India Act, 1934	(iii)	**3.83**	3.77
Foreign Exchange Fluctuation Reserve	(iv)	**2.33**	0.80
General Reserve	(v)	**169.66**	169.66
Retained Earnings	(vi)	**242.02**	488.21
Share of other comprehensive income of investments accounted for using the equity method	(vii)	**0.51**	1.12
Remeasurement of defined benefit obligation through Other Comprehensive Income	(viii)	**7.67**	6.66
Total		**529.25**	773.54

(i) Capital Redemption Reserve

Capital Redemption Reserve was created by the holding company for redemption of preference shares

Particulars	**As at 31st March 2020**	As at 31st March 2019
Balance at the beginning of the year	**3.00**	3.00
Movement during the year	**-**	-
Balance at the end of the year	**3.00**	3.00

(ii) Securities Premium

Securities Premium 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 2020**	As at 31st March 2019
Balance at the beginning of the year	**100.32**	100.32
Share Issue Expenses	**(0.09)**	-
Balance at the end of the year	**100.23**	100.32

(iii) Reserve Fund in terms of Section 45 I C (i) of Reserve Bank of India Act, 1934

This is a statutory reserve to be maintained in terms of Section 45 I C (i) of Reserve Bank of India Act, 1934.

Particulars	**As at 31st March 2020**	As at 31st March 2019
Balance at the beginning of the year	**3.77**	3.77
Transfer from Retained Earnings	**0.06**	-
Balance at the end of the year	**3.83**	3.77

(iv) Foreign Exchange Fluctuation 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 2020**	As at 31st March 2019
Balance at the beginning of the year	**0.80**	(0.05)
Movement during the year - OCI	**1.53**	0.85
Balance at the end of the year	**2.33**	0.80

(v) General Reserve

General Reserve represents appropriations of retained earnings and are available for distribution to shareholders.

Particulars	**As at 31st March 2020**	As at 31st March 2019
Balance at the beginning of the year	**169.66**	169.66
Transfer to Retained Earnings	**-**	-
Balance at the end of the year	**169.66**	169.66

Notes (Contd.)

(iv) Retained Earnings

Retained Earnings are the profits of the company earned till date net of appropriations.

Particulars	**As at 31st March 2020**	As at 31st March 2019
Balance at the beginning of the year	**488.21**	655.86
Movement during the year	**(239.88)**	(115.48)
Transfer to Reserve Fund	**(0.06)**	-
Transfer from General Reserve	**-**	-
Opening IND AS 116 Reserve effect (Refer Note No. 39)	**(3.02)**	-
Adjustments arising out of Consolidation	**(3.23)**	(52.17)
Balance at the end of the year	**242.02**	488.21

(vii) Share of other comprehensive income of investments accounted for using the equity method

Particulars	**As at 31st March 2020**	As at 31st March 2019
Balance at the beginning of the year	**1.12**	1.31
Movement during the year - OCI (net of taxes)	**(0.61)**	(0.19)
Balance at the end of the year	**0.51**	1.12

(viii) Remeasurement of defined benefit obligation through Other Comprehensive Income

Particulars	**As at 31st March 2020**	As at 31st March 2019
Balance at the beginning of the year	**6.66**	4.46
Movement during the year - OCI (net of taxes)	**1.01**	2.20
Balance at the end of the year	**7.67**	6.66

Note 18: Non-current borrowings

(Rs. in crore)

Particulars	Note	**As at 31st March 2020**	As at 31st March 2019
Secured			
Term loans from			
- Banks	(a)	**6.75**	14.09
- Others	(b)	**217.02**	22.09
		223.77	36.18
Less : Transaction costs on borrowings		**(0.25)**	(0.31)
Total Secured Borrowings		**223.52**	35.87
Unsecured			
- Fixed deposit		**0.37**	47.76
Less : Transaction costs on borrowings		**-**	(0.12)
- Fixed deposits		**0.37**	47.64
- From Others - Long term loans from companies		**1,666.58**	1,480.99
Preference Share Liability	(c)		
5,626,320 0.01% Cumulative Redeemable Preference Shares of Rs 10/- each, Rs 2/- redeemed during the year		**2.56**	3.28
5,626,320 8% Cumulative Redeemable Preference Shares of Rs 10/- each, Rs 2/- paid up [31-03-19 Rs Nil]		**1.13**	-
		3.69	3.28
Total		**1,894.16**	1,567.78

Nature of Security & Terms of repayment of Borrowings - Non Current Term Loan

I)	Original Amount	As at 31-Mar-20			As at 31-Mar-19			Terms of Repayment		Nature of Security
		Non-current	Current	Total Rs. crore	Non-current	Current	Total Rs. crore	Monthly Installments	Commencing From	
1	**From Banks:**									
I	30.00	3.89	4.69	8.58	7.92	8.04	15.96	60	May'2016	Mortgage of two residential premises at Mumbai.
II	10.00	2.83	3.33	6.16	6.18	3.83	10.01	25	April'2019	
2	**From Other Parties :**									
I	75.00	-	-	-		5.37	5.37	36	July'2016	Mortgage of 50 acres of lease hold land at Dighe, Thane
II	75.00	-	-	-		26.71	26.71	36	April'2017	
III	50.00	4.22	10.80	15.02	15.02	16.67	31.69	36	Jan.'2019	
IV	200.00	200.00	-	200.00	-	-	-	Bullet payment	April'2021	Mortgage of 50 acres of lease hold land at Dighe, Thane.
V	25.00	-	-	-	-	7.47	7.47	30	June'2017	Mortgage of residential premises at Mumbai, residential premises at Delhi and 5 acres of lease hold land at Dighe, Thane.
VI	25.00	-	5.69	5.69	6.58	10.13	16.71	30	May'2019	
VII	25.00	12.83	4.70	17.53				36	May'2019	
VIII	6.42	-	0.48	0.48	0.48	1.79	2.27	36	April'2017	Hypothecation of Plant & Machinery - Ultrasonic Testing Machine at Ginigera, Kanakapura, Dist Ginigera in the State of Karnataka.
	521.42	223.77	29.69	253.46	36.18	80.01	116.19			

Note (a) : Rate of interest on above loans is in the range 11.75% p.a. to 13.45% p.a.

Note (b) : For details of loans received from related parties, please refer Note No. 43.

Note (c) : Terms of redemption of Cumulative Redeemable Preference Shares (CRPS)

(i) Pursuant to the order of the Hon'ble High Court of Judicature at Bombay dated October 14, 2003, the Mukand Ltd 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 Mukand Ltd 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. Accordingly, Mukand Ltd redeemed Rs.2/- per share on 27th September 2019 out of the proceeds received from issue of 8% CRPS during the year by the Company. In the event of liquidation of the Mukand Ltd before redemption, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

Shareholders holding more than 5 %

0.01% CRPS of Rs. 10/- each fully paid (Rs.2/- redeemed during the year 2019-20)	31st March, 2020		31st March, 2019	
	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%

(ii) Mukand Ltd allotted 56,26,320, 8% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10 each on private placement basis to the following members belonging to the Promoter Group entities. Rs.2/- has been called up on these shares. The balance amount of Rs.8/- per share shall be called in one or more installments as and when the Board of Directors/Committee may considers in its absolute discretion. These CRPS will be redeemed at Par in one or more installments. These CRPS shall have a maximum term of 20 years from the date of allotment and shall be redeemed at the option of the Company after expiry of 5 years from the date of allotment, but before expiry of 20th year from the date of allotment. 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.

Shareholders holding more than 5 %

8% CRPS of Rs. 10/- each @ Rs.2/- paid up	31st March, 2020		31st March, 2019	
	Numbers	% holding in the class	Numbers	% holding in the class
Jamnalal Sons Pvt. Ltd.	**2,813,160**	**50.00%**	-	-
Bachharaj & Company Pvt Ltd	**2,813,160**	**50.00%**	-	-

As per records of Mukand ltd, 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): Group has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Note 19: Other Financial Liabilities - non-current (Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposit	-	4.00
Total	-	4.00

Note 20: Provisions - non current (Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits (refer Note No. 45)	34.69	33.94
Total	34.69	33.94

Note 21: Borrowings - current (Rs in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Secured		
- Working capital loans from Banks	363.36	383.24
Unsecured		
- from others	421.31	476.83
Total	784.67	860.07

Note (a) : Details of security

Working Capital Facilities at Note No. 21 and non-funded facilities from the Banks are secured by hypothecation of stocks (excluding machinery spares) and book debts. The said facilities are also secured by way of against first pari passu charge against mortgage/ hypothecation of Company's 87 acres 4 gunthas (approx.) of land, immovable and movable fixed assets both present and future of Mukand Ltd at its plant at Kalwe and Dighe, Dist. Thane, in the State of Maharashtra and 184 acre 36 gunthas(approx.) of Land, immovable and movable fixed assets both present and future of Mukand Ltd at its existing steel plant at Ginigera/Kankapura, Dist. Ginigera in the State of Karnataka except assets given as security for other term loans at Note No. (18) I) 1 (I & II), (18) I) 2 (I to VIII).

Assets excluded from security given to secured lenders at Note No. 18 & 21

i) 60 acres, 36 gunthas, 8 annas of land at Kalwe and Dighe, Dist. Thane in the State of Maharashtra.

ii) 43.14 acres of Leasehold land at Sinnar, Dist. Nashik in the State of Maharashtra.

iii) 161.47 acres of Land in the state of Jharkhand, for Company's projects in that state.

iv) Ultrasonic Testing machine at Ginigera / Kankapura, District Ginigera in the State of Karnataka is given as security to lenders covered at Note No.18 (I) (2) (VIII).

v) 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): Mukand Ltd has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Note 22: Trade Payables (Rs in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Due to Micro and small enterprises	4.81	3.67
Other than Micro and small enterprises		
- Acceptances	251.99	294.55
- Other trade payables	504.96	463.58
Total	761.76	761.80

For Payables to related parties, refer Note No. 43

Notes (Contd.)

Note 23: Other Current Financial Liabilities (Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Current maturities of long-term debts	**78.12**	149.40
Less : Transaction costs on borrowings	**(1.91)**	(2.25)
	76.21	147.15
Lease Liability under IND AS 116 (Refer Note No. 39)	**27.88**	-
Interest accrued on borrowings	**68.68**	43.84
Unpaid dividend* (represent amount unclaimed)	**-**	-
(Rs. 1,699/-, PY Rs. 2,565/-)		
Unpaid maturity deposits	**1.15**	0.49
Employee related liabilities	**2.79**	8.76
Creditors for capital goods	**3.38**	5.28
Others	**3.69**	8.05
Total	**183.78**	213.57

Please refer Note No. 43 for Related Party Transactions

* There are no amounts due for payment to Investor's Education and Protection Fund as at the year end under section 125 of the Act.

Note 24: Other Current Liabilities (Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Statutory Dues	**7.76**	16.29
Advances from customers	**109.36**	33.71
Other payables	**3.00**	4.01
Total	**120.12**	54.01

Note 25: Provisions - current (Rs. in crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits (refer Note No. 45)	**9.56**	9.26
Provision for Warranty Costs (refer note below)	**0.48**	0.27
Total	**10.04**	9.53

Note :

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 crore)

Particulars	As at 31st March 2020	As at 31st March 2019
Opening Balance	**0.27**	0.46
Provision recognised during the year	**0.48**	0.27
Amount utilised during the year	**(0.49)**	(0.57)
Amount reversed/short provision during the year	**0.22**	0.11
Closing Balance	**0.48**	0.27

Note 26: Revenue from Operations

(Rs. in crore)

Particulars			For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
i)	**Revenue from Operations**			
	a)	**Sale of product and services**		
		Special Alloy Steel Products	**1,056.43**	1,571.83
		Stainless Steel Products	**1,302.41**	1,417.19
		Job Works & Others	**416.18**	508.41
		Engineering Contracts - Refer Note (a) & (b) below	**104.15**	132.74
	b)	**Interest from Financing Activity**	**18.57**	18.15
		A	**2,897.74**	3,648.32
ii)	**Other operating revenue**			
		Sale of Scrap and Sundries	**7.91**	10.91
		Export Incentives	**4.76**	10.58
		Insurance Claims etc.	**0.34**	0.13
		Credit balances appropriated	**0.08**	7.24
		Excess provisions written back (net)	**4.21**	2.39
		Surplus on account of sale of assets	**0.06**	4.91
		Advisory and other fees	**0.02**	0.02
		Other Miscellaneous receipts	**7.57**	4.96
		B	**24.95**	41.14
Total Revenue from Operations (A + B)			**2,922.69**	3,689.46

(a) Mukand Ltd 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. NHAI and CDS have settled the claims. Rs 91.66 Crore was realized during the year. The net receivables on this account is now at Rs. 31.39 Crore as at 31st March 2020 as against Rs.121.47 Crore as at 31st March 2019. In the opinion of the Management, the balance net receivables would be realized from CDS in due course.

(b) Disclosure regarding Income from Contracts of Industrial Machinery Division to which Indian Accounting Standard 115 applies : (Rs. in crore)

Particulars		For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
i)	The amount of Contract revenue recognised as revenue during the year.	**104.15**	132.74
ii)	The aggregate amount of costs incurred and recognised profits (less recognised losses) upto each reporting date	**2,037.55**	1,993.51
iii)	The amount of advances received (Gross)	**12.17**	15.06
iv)	The amount of retentions (included in sundry debtors) (net balance)	**104.70**	107.08
v)	Amount due to customers	**-**	-
vi)	Amount due from customers	**176.49**	194.26

(c) Disaggregation of Revenue

Revenue based on geography	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Domestic	**2,683.61**	3,355.71
Export	**214.13**	292.61
Total	**2,897.74**	3,648.32

Pending performance obligations on long term engineering contracts:

Revenue is recognized upon transfer of control of products or services to customers.

Mukand Ltd has entered into long term contracts aggregating Rs. 1,084.05 crores (previous year Rs. 1,044.20 crores) pertaining to the industrial machinery division. The pending performance obligation relating to these contracts aggregates to Rs. 221.65 crores (previous year Rs. 223.89 crores) as at year end.

The management of Mukand Ltd expects that 52 % of the pending performance obligation amounting to Rs. 115.26 crores (previous year 78% amounting to Rs. 174.63 crores) pertaining to these long term contracts will be recognised as revenue during the next reporting period with balance in future reporting periods thereafter.

Notes (Contd.)

Note 27: Other income (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Rent received	**1.14**	1.18
Interest Received - From Customers/Banks/Others	**44.17**	54.84
Dividend Income	**0.01**	1.65
Net gains on Fair value changes/Disposal of Equity Instruments	**13.22**	0.18
Profit on sale of Asset/Land	**1.43**	2.16
Delay Payment Charges Received	**8.27**	0.11
Others	**-**	0.01
Total	**68.24**	60.13

Note 28: Cost of materials consumed (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Opening Stock	**279.55**	97.67
Add : Purchase	**1,519.46**	2,098.75
	1,799.01	2,196.42
Less : Closing stock	**(278.43)**	(279.55)
Total	**1,520.58**	1,916.87

Note 29 : Changes in inventories of Work-in-Progress, Finished Goods and Contracts in Progress (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Opening Stock	**792.02**	774.06
Less : Closing stock	**(818.05)**	(792.02)
Variation in stock	**(26.03)**	(17.96)
Net (increase)/decrease in stocks	**(26.03)**	(17.96)

Note 30: Employee benefits expense (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Salaries, Wages, Bonus, Compensation and Other Payments	**158.75**	177.61
Contribution towards Employees' State Insurance, Provident and Other Funds	**17.66**	18.61
Staff welfare expenses	**13.51**	13.46
Total	**189.92**	209.68

Note 31: Finance costs (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Interest cost on financial liabilities measured at amortized cost	**354.39**	321.81
Interest on lease liabilities	**5.27**	-
Less : Interest capitalised	**(0.57)**	(0.22)
Other Borrowing Costs	**4.88**	4.92
Total	**363.97**	326.51

Note 32: Depreciation and amortisation expense (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Depreciation of property, plant and equipment	**51.26**	58.27
Amortisation of intangible assets	**0.01**	0.03
Depreciation - Right of Use Assets	**24.14**	-
Total	**75.41**	58.30

Notes (Contd.)

Note 33: Other expenses (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Stores, Spares, Components, Tools, etc. consumed	**418.78**	589.68
Power and Fuel consumed	**215.66**	247.64
Machining and Processing charges	**177.29**	217.56
Sub-contracting expenses	**54.69**	55.88
Other Manufacturing expenses	**25.68**	53.94
Rent (net)	**1.68**	0.80
Repairs to:		
- Buildings	**1.77**	2.07
- Plant and Machinery	**7.17**	9.30
- Other assets	**1.97**	2.47
Rates and Taxes	**5.77**	5.22
Insurance	**2.39**	1.81
Commission	**2.69**	2.96
Freight, Forwarding and Warehousing (net)	**2.40**	4.66
Directors' Fees and Travelling Expenses	**0.18**	0.27
Bad Debts, debit balances and claims written off	**6.44**	5.10
Provision for Non Performing Assets/doubtful debts/advances	**6.73**	8.11
Provision for Expected Credit Loss	**6.65**	0.74
Loss on assets sold	**-**	0.11
Loss on assets discarded / impaired	**0.03**	0.09
Amortisation of Land Lease	**-**	0.33
Loss on variation in foreign exchange rates (net)	**2.82**	24.18
Impairment of Goodwill	**-**	13.33
Miscellaneous Expenses	**58.13**	69.72
Total	**998.92**	1,315.97

Note 34 : Income Tax Expenses (Rs. in crore)

Reconciliation of Tax Expense and accounting profit multiplied by India's Tax rate :

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Profit before Tax	**(246.68)**	(177.15)
Applicable Tax Rate	**31.20%**	31.20%
Tax Expense as per applicable tax rate	**(76.96)**	(55.27)
Tax effect of :		
Permanent disallowances	**0.12**	0.15
Income Taxed at different rate	**(0.53)**	(3.19)
Lapsing of past business losses	**23.49**	-
Others	**(2.69)**	15.51
Total Tax expenses	**(56.57)**	(42.80)
Tax expenses recognised in Statement of Profit or Loss	**(56.57)**	(42.80)
Effective tax rate	**23%**	24%

Note 35 : Earnings per share (Rs. in crore)

Particulars	**For the Year Ended 31st March, 2020**	For the Year Ended 31st March, 2019
Profit/(Loss) attributable to the equity holders of the company (A) (Rs. in crore)	**(239.88)**	(115.48)
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.	**(16.96)**	(8.17)
(b) Diluted EPS in Rs.	**(16.96)**	(8.17)

Notes (Contd.)

Note 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, 2020 and March 31, 2019.

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, 2020 is as follows.

(Rs. in crore)

Particulars	**As at 31st March, 2020**	As at 31st March, 2019
Borrowings		
Long term and Short term borrowings	**2,678.83**	2,427.85
Current maturities of Long term borrowings	**76.21**	147.15
Less: cash and bank balances	**(9.99)**	(7.80)
Adjusted net debt	**2,745.05**	2,567.20
Total Equity	**670.67**	914.96
Adjusted net debt to adjusted equity ratio	**4.09**	2.81

Note 37 : Contingent liabilities not provided for

	Particulars	**As at 31st March, 2020**	As at 31st March, 2019
i.	Disputed matters in appeal/contested in respect of:		
	Income Tax*	**18.80**	33.72
	Excise Duty, Customs Duty, etc.	**7.73**	8.70
	Sales Tax, Works Contract Tax etc. **	**4.30**	3.47
	Other matters	**30.79**	22.37
	* included in this amount (not provided in the Accounts) is the liability under Sec 115JB of the Income Tax Act, 1961 for Assessment Year 2005-06 as Mukand Ltd's appeal is pending disposal. Mukand Ltd places reliance on certain judicial pronouncements and has also obtained a legal opinion on the matter.		
	** In the matter of certain ex-parte assessments completed by Commercial Tax Officer in the State of Uttar Pradesh, Mukand Ltd 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 Mukand Ltd not acknowledged as debt as these are disputed and pending disposal at various fora.	**13.25**	12.98
	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 Mukand Ltd :	**408.40**	408.40
iii.	Bonds / Undertakings given by Mukand Ltd under concessional duty/ exemption to Customs / Excise Authorities (Net of redemption applied for)	**0.66**	0.66
iv)	Share in contingent Liabilities of Associates	**3.17**	7.95
v)	Share in contingent Liabilities of Joint Ventures	**2.92**	2.84

vi) Arrears of dividend on 0.01% preference shares for FY 2019-20 Rs. 5,064/-, FY 2018-19 Rs. 5,627/-, 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/- and on 8% preference shares for FY 2019-20 Rs. 4,64,863/- in view of amendment to section 123 of the Companies Act, 2013.

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

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

ix. 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.

Notes (Contd.)

Note 38 : Commitments (Rs in crore)

Particulars	**As at 31st March, 2020**	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**9.79**	4.19
Share of Capital Commitment of Joint Ventures/Associates	**155.81**	155.32

Note 39 (A) : Leases

As Lessee:

Future Rental obligations in respect of premises taken on operating Lease:

(Rs in crore)

Particulars		**As at 31st March, 2020**	As at 31st March, 2019
i.	For a period not later than one year	**0.53**	0.55
ii.	For a period later than one year but not later than five years	**0.15**	0.42
iii.	For a period later than five years	**-**	-
Total		**0.68**	0.97

Lease rentals charged to revenue for the current year Rs. 1.68 crore (March 31, 2019 : Rs.0.74 crore).

These premises comprise residential flats, office premises and warehouses. The agreements for lease are executed for tenure of 11 to 60 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 crore)

Particulars		**As at 31st March, 2020**	As at 31st March, 2019
i.	For a period not later than one year	**0.80**	0.88
ii.	For a period later than one year but not later than five years	**0.07**	0.88
iii.	For a period later than five years	**-**	-
Total		**0.87**	1.76

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 39 (B) : Leases

The Group applied Ind AS 116 – Leases ('Ind AS 116') for the first time.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases - Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Group adopted Ind AS 116 using the retrospective method of adoption, with the date of initial application on April 01, 2019. Accordingly, previous period information has not been restated and the amounts of depreciation, finance costs and Other Expenditure are not comparable with those of the previous year. The adoption of this Standard does not have any material impact on the loss for the year ended 31st March, 2020. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

1 Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020:

Rs. in crores

Particulars	**ROU Assets**		
	Leasehold Land	**Leased Assets**	**Total**
Balance as at April 1, 2019	-	49.00	49.00
Transition impact on account of adoption of Ind AS 116 "Leases"	-	(4.39)	(4.39)
Reclassified from Other non-current/current assets on account of adoption of Ind AS 116	25.38	-	25.38
Total ROU as on date of transition	25.38	44.61	69.99
Additions during the year	-	3.01	3.01
Deletion during the year	-	-	-
Depreciation on ROU (Refer Note No. 2)	(0.33)	(23.81)	(24.14)
Balance as at March 31, 2020	25.05	23.81	48.86

2 The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	Rs. in crores
	Lease Liability
Transition impact on account of adoption of Ind AS 116 “Leases”	49.01
Additions during the year	3.01
Finance cost accrued during the year	5.27
Deletion	-
Payment of lease liabilities	(29.40)
Balance as at March 31, 2020	27.88
Reconciliation with Financial Statements:	
Current lease liability (Refer Note No. 22)	27.88
Non-current lease liability	-
	27.88

3 The adoption of new standard has also resulted in decrease in loss before tax for the year by Rs. 0.32 crore (increase in Depreciation expense by Rs. 23.81 crore and finance cost by Rs. 5.27 crore and corresponding decrease in other expenses by Rs. 29.40 crore. The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by Rs. 5.27 crore.

4 The maturity analysis of lease liabilities are disclosed below Rs. in crore

Particulars	Less than1 year	1 to 5 years	More than 5 years	Total
Lease Liability (undiscounted)	29.84	-	-	29.84

5 The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 12.75%.

6 Interest expense recorded for lease liabilities is Rs. 5.27 crore for the year ended March 31, 2020 (Refer Note No. 31).

Note 40: 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 41: Statement of voting power of Mukand Limited in Subsidiaries, Stepdown Subsidiaries, Joint Ventures and Associates:

Sr. No.	Name of the Company	Nature of relationship	Country of Incorporation	Principal Activity	Proportion of voting power as at	
					31-Mar-20	31-Mar-19
1	Mukand Global Finance Ltd. (MGFL)	Subsidiary	India	NBFC	**100%**	100%
2	Vidyavihar Containers Ltd. (VCL)	Subsidiary	India	Real Estate	**100%**	100%
3	Mukand International Ltd. (MIL) (100% upto 9th May 2019)	Subsidiary	UK	Trading - steel *	**-**	100%
4	Mukand International FZE (MIFZE)	Subsidiary	UAE	Trading - steel	**100%**	100%
5	Adore Trader & Realtor Pvt. Ltd. (ATRPL) #	Stepdown Subsidiary	India	Trading & Real Estate	**100%**	100%
6	Mukand Sumi Special Steel Ltd (MSSSL) formerly known as Mukand Alloy Steels Ltd.	Joint Venture	India	Alloy Steel Rolling and Finishing business	**51%**	51%
7	Mukand Sumi Metal Processing Ltd. (MSMPL) $	Joint Venture	India	Manufacturing of Cold finished, Bars/ Rods	**51%**	60.07%
8	Hospet Steels Ltd. (HSL)	Joint Venture	India	Management Company	**39.00%**	39.00%
9	Mukand Vini Mineral Ltd. (MVML) @	Joint Venture	India	Mining Company	**49.01%**	49.01%
10	Mukand Engineers Ltd. (MEL)	Associate	India	Engineering, Construction project and ITES	**36.11%**	36.11%
11	Bombay Forgings Ltd. (BFL)	Associate	India	Manufacturing of Steel Forging	**33.17%**	33.17%
12	Stainless India Ltd. (SIL)^	Associate	India	Manufacturing of stainless steel products	**48.30%**	48.30%

$ Mukand Limited sold its 9.07% investment in MSMPL in the month of March 2020.

* Trading activity of MIL is ceased w.e.f. April 01, 2010.

@ MVML has filed form STK - 2 with Registrar of Companies for striking off its name, which is currently under process.

ATRPL is wholly owned subsidiary of MGFL w.e.f. April 30, 2018.

^ SIL has ceased operation w.e.f. 27-10-2008.

Note 42: 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 2020 which in the opinion of the board are material to the group. The entities listed below have share capital consisting mainly of equity shares which are directly held by the group.

Rs. in crore

Sr. No.	Name of Entity	Place of Business	% of Ownership Interests		Relationship	Accounting Method	Carrying amount	
			31st March, 2020	31st March, 2019			31st March, 2020	31st March, 2019
1	Mukand Sumi Special Steel Ltd (MSSSL)	India	**51.00%**	51.00%	Joint Venture	Equity Method	**1,101.95**	1,141.80
2	Mukand Sumi Metal Processing Ltd (MSMPL)	India	**51.00%**	60.07%	Joint Venture	Equity Method	**105.49**	126.66
	Total Equity accounted investments						**1,207.44**	1,268.46

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.

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 crore

(A)	Summarised Balance Sheet	Mukand Sumi Special Steel Ltd		Mukand Sumi Metal Processing Ltd	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	Current assets				
	Cash and cash equivalents	**9.32**	6.68	**3.35**	3.08
	Other assets	**359.81**	291.86	**209.74**	217.05
	Total Current Assets	**369.13**	298.54	**213.09**	220.13
	Total Non Current Assets	**2,143.45**	1,932.37	**126.21**	133.90
	Current Liabilities				
	Financial Liabilities (excluding trade payables)	**273.90**	252.49	**36.81**	34.78
	Other Liabilities	**53.70**	54.64	**40.06**	39.02
	Total Current Liabilities	**327.60**	307.13	**76.87**	73.80
	Non Current Liabilities				
	Financial Liabilities (excluding trade payables)	**363.25**	26.39	**0.53**	-
	Other Liabilities	**2.19**	1.63	**0.16**	0.25
	Total Non Current Liabilities	**365.44**	28.02	**0.69**	0.25
	Net Assets	**1,819.54**	1,895.76	**261.74**	279.98

Rs. in crore

(B)	Summarised Statement of Profit and Loss	Mukand Sumi Special Steel Ltd		Mukand Sumi Metal Processing Ltd	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	Total Revenue (except interest income)	**1,410.81**	2,055.98	**702.32**	813.37
	Interest Income	**2.10**	3.24	**2.15**	2.20
	Purchases and variation in stocks	**1,114.31**	1,532.03	**615.90**	681.24
	Depreciation and amortisation *	**109.43**	102.95	**22.87**	20.79
	Interest expense	**29.20**	46.47	**3.97**	2.42
	Tax expenses	**28.25**	(5.58)	**(9.47)**	4.00
	Profit/(loss) for the year	**(75.92)**	29.90	**(18.32)**	7.25
	Other Comprehensive Income	**(0.30)**	(0.20)	**0.08**	(0.01)
	Total Comprehensive Income	**(76.22)**	29.70	**(18.24)**	7.24
	Dividend received	**-**	-	**-**	-

* In accordance with the Scheme of Arrangement and Amalgamation for transfer of Alloy Steel Rolling and Finishing business of Mukand, the Amalgamation as sanctioned by the NCLT had been accounted in the books of MSSSL in FY 2017-18. MSSSL had also recognized goodwill on amalgamation amounting to Rs. 1,834.84 Crores which is amortized over its useful life as per the sanctioned scheme. Depreciation and amortization charge for the year includes Rs. 91.74 Crores on account of Goodwill amortisation. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) - 'Business Combinations' for business combination of entities under common control.

Rs. in crore

(C)	Reconciliation to carrying amount	Mukand Sumi Special Steel Ltd		Mukand Sumi Metal Processing Ltd	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	Opening Net Assets	**1,895.76**	685.06	**279.98**	276.03
	Profit for the year	**(76.22)**	29.70	**(18.24)**	7.24
	Adjustments on consolidation*	**341.14**	1,524.06	**(86.13)**	(72.42)
	Closing Net Assets	**2,160.68**	2,238.82	**175.61**	210.85
	Group's Share in % $	**51%**	51%	**60.07%**	60.07%
	Group's share in amount	**1,101.94**	1,141.80	**105.49**	126.66
	Carrying amount	**1,101.94**	1,141.80	**105.49**	126.66

* including Fair Value on account of Loss of Control in FY 2017-2018 - Rs. 1,296.86 crores

$ Mukand Limited sold its 9.07% investment in MSMPL in the month of March 2020.

Notes (Contd.)

Note 43: Related Party Disclosure

(a) Relationship :

(i) Associates :

Mukand Engineers Ltd., Bombay Forgings Ltd., Stainless India Ltd.

(ii) Joint Ventures :

Mukand Sumi Special Steel Ltd., Mukand Sumi Metal Processing Ltd., Hospet Steels Ltd.

(iii) Key Management Personnel

Niraj Bajaj, Rajesh V. Shah, Suketu V. Shah, Pratap V Ashar, Prakash Vasantlal Mehta, Dhirajlal Shantilal Mehta (upto August 8, 2019), Naresh Chandra Sharma (upto August 8, 2019), Sankaran Radhakrishnan (w.e.f. May 20, 2019), Bharti Ram Gandhi, Amit Yadav, Other KMPs, 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., Adonis Laboratories Pvt. Ltd., Baroda Industries Pvt. Ltd.

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

Nature of transactions	a (i) above	a (ii) above	a (iii) above	a (iv) above	Total
1. Purchase of Goods	**10.99**	**124.91**			**135.90**
	16.28	162.30			178.58
2. Purchase of Fixed Assets	**0.04**	**-**			**0.04**
	-	-			-
3. Sale of Goods	**-**	**1,476.67**			**1,476.67**
	9.24	1,931.75			1,940.99
4. Transfer of Fixed Assets		**1.36**			**1.36**
		26.00			26.00
5. Services Received	**9.54**	**91.13**			**100.67**
	9.06	96.00			105.06
6. Services Rendered	**1.85**	**280.31**			**282.15**
	2.15	333.52			335.67
7. Remuneration/Sitting Fees to MDs/Directors and KMPs			**6.12**		**6.12**
			7.42		7.42
8. Interest on FDs to Director/KMPs / relatives of a Director/KMPs			**0.11**		**0.11**
			0.47		0.47
9. Interest Paid	**0.17**	**2.17**		**120.59**	**122.94**
	0.25	2.97		96.97	100.19
10. Interest Received	**4.91**	**2.04**			**6.95**
	1.32	1.64			2.96
11. Reimbursement of Expenses - Receipt		**-**			**-**
		25.99			25.99
12. Investment in Preference Shares				**0.56**	**0.56**
				-	-
13. Partial redemption of preference shares				**0.09**	**0.09**
					-
14. Finance taken including equity / (re-payment of loans & advances) - Net		**58.42**	**-**	**74.01**	**132.43**
		2.20	-	508.90	511.10
15. Finance given including equity / (re-payment of loans & advances) - Net	**34.76**	**-**	**1.24**	**-**	**36.00**
	31.31	-	0.65	0.01	31.97
16. Balances at the close of the year					
i) Amount Receivable	**29.45**	**31.07**		**0.30**	**60.82**
	87.77	91.15		0.30	179.22
ii) Amount Payable	**1.27**	**55.16**	**0.13**		**56.56**
	9.71	34.86	0.25		44.82
iii) Amount Receivable in respect of loans & advances	**88.27**	**-**			**88.27**
	50.76	1.51			52.27
iv) Amount Payable in respect of loans & advances *		**61.81**	**0.72**	**1,042.73**	**1,105.26**
		2.20	5.53	962.28	970.01
v) Property Deposit taken	**0.07**				**0.07**
	0.07				0.07
17. Guarantees given by the Company	**115.00**	**287.64**			**402.64**
	115.00	287.64			402.64

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. 0.72 crore (previous year Rs 5.53 crore)

Notes (Contd.)

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

		(Rs. in Crore)
Purchase of Goods:		
Mukand Sumi Metal Processing Ltd	**104.95**	118.96
Mukand Sumi Special Steel Ltd	**19.96**	43.34
Bombay Forgings Ltd	**0.75**	-
Mukand Engineers Ltd	**10.24**	16.28
Purchase of Fixed Assets:		
Bombay Forgings Ltd	**0.04**	-
Sale of Goods:		
Bombay Forgings Ltd	**-**	9.24
Mukand Sumi Metal Processing Ltd	**351.88**	329.49
Mukand Sumi Special Steel Ltd	**1,124.79**	1,602.26
Transfer of Fixed Assets		
Mukand Sumi Metal Processing Ltd	**-**	6.56
Mukand Sumi Special Steel Ltd	**1.36**	19.44
Services Received:		
Hospet Steels Ltd	**51.50**	56.90
Mukand Engineers Ltd	**9.54**	9.06
Mukand Sumi Metal Processing Ltd	**10.23**	11.68
Mukand Sumi Special Steel Ltd	**29.40**	27.42
Remuneration to Executive Directors & Other KMPs #		
Short term employment benefit	**5.50**	6.72
Post Employment Benefits	**0.44**	0.41
Remuneration to Non-Executive / Independent Directors		
Sitting Fees & Travelling Expenses	**0.18**	0.29
Services Rendered:		
Mukand Sumi Metal Processing Ltd	**72.55**	75.99
Mukand Sumi Special Steel Ltd	**207.76**	257.53
Mukand Engineers Ltd	**1.84**	2.14
Bombay Forgings Ltd	**0.01**	0.01
Interest Paid		
Mukand Engineers Ltd	**0.17**	0.25
Jamnalal Sons Pvt Ltd	**116.70**	95.22
Adonis Laboratories Pvt Ltd	**0.24**	0.24
Mukand Sumi Metal Processing Ltd	**0.65**	1.51
Mukand Sumi Special Steel Ltd	**1.52**	1.46
Baroda Industries Pvt. Ltd.	**3.66**	1.51
To relatives of a Director & KMPs (Interest on FD)	**0.11**	0.47

		(Rs. in Crore)
Interest / Dividend / Received		
Mukand Engineers Ltd	**4.90**	1.32
Mukand Sumi Special Steel Ltd	**2.04**	-
Mukand Sumi Metal Processing Ltd	**-**	1.64
Stainless India Limited	**0.01**	-
Reimbursement of Expenses - Receipt		
Mukand Sumi Special Steel Ltd	**-**	25.99
Investment in preference shares		
Jamnalal Sons Pvt Ltd	**0.56**	-
Partial redemption of preference shares		
Jamnalal Sons Pvt Ltd	**0.09**	-
Finance taken including equity / (re-payment of loans & advances) - Net		
Jamnalal Sons Pvt Ltd	**88.71**	488.80
Mukand Sumi Special Steel Ltd	**58.42**	2.20
Baroda Industries Pvt. Ltd.	**(14.70)**	20.10
Finance given including equity / (re-payment of loans & advances) - Net		
Kalyani Mukand Ltd	**-**	0.01
Mukand Engineers Ltd	**33.38**	19.28
Bombay Forgings Ltd	**1.38**	12.03
FDs repaid to relatives of a Director	**1.24**	0.65
Balances at the close of the year:		
i) Amount Receivable		
Bombay Forgings Ltd	**8.27**	64.29
Mukand Sumi Metal Processing Ltd	**23.86**	13.77
Mukand Sumi Special Steel Ltd	**7.21**	77.38
Mukand Engineers Ltd	**21.19**	23.48
Kalyani Mukand Ltd	**0.30**	0.30
ii) Amount Payable		
Mukand Engineers Ltd	**1.27**	9.71
Hospet Steels Ltd	**3.46**	7.29
Mukand Sumi Metal Processing Ltd	**10.32**	22.88
Mukand Sumi Special Steel Ltd	**41.38**	4.69
Remuneration to Key Management Personnel/ Expenses payable to Relatives of KMP	**0.13**	0.25
iii) Amount Receivable in respect of loans & advances		
Bombay Forgings Ltd	**29.72**	27.75
Mukand Sumi Special Steel Ltd	**-**	1.51
Mukand Engineers Ltd	**58.54**	22.90

	(Rs. in Crore)
Stainless India Ltd	**0.02**
	0.11
iv) Amount Payable in respect of loans & advances	
Jamnalal Sons Pvt Ltd	**1,029.48**
	934.53
Adonis Laboratories Pvt Ltd	**2.02**
	2.00
Baroda Industries Pvt Ltd	0
	25.75
Mukand Sumi Special Steel Ltd	**61.81**
	2.20

	(Rs. in Crore)
FDs / interest thereon from Relatives of a Director	**0.72**
	5.53
v) Property Deposit taken	
Mukand Engineers Ltd	**0.07**
	0.07
Guarantees given by the Company	
Mukand Engineers Ltd	**115.00**
	115.00
Mukand Sumi Special Steel Ltd	**287.64**
	287.64

Notes: 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 are not determinable.

Note 44: Amalgamation and Covid 19

(i) Petitions filed with NCLT for Scheme of amalgamation between Adore Traders and Realtors Private Limited, a wholly owned subsidiary of Mukand Global Finance Limited with the parent company MGFL, followed by the amalgamation of MGFL and Mukand Engineers Limited with Mukand Ltd are pending for approval of NCLT. The Scheme shall be effective from the appointed date 1st April, 2019 on receipt of NCLT order and filing the same with Registrar of Companies and therefore financial statement does not include effect of amalgamation of these Companies with Mukand Ltd.

(ii) **"Impact analysis on account of Covid-19 epidemic:**

In March 2020, the WHO declared COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March 2020, the Government of India declared this pandemic a health emergency and ordered temporary closure of all non-essential business, imposed restrictions on movement of goods/ material, travel, etc. This outbreak is causing significant disturbances and slowdown of economic activity worldwide and economic slowdown may have its eventual impact on the Group. Mukand Ltd suspended production at its plants situated at Dighe, Thane in the state of Maharashtra and Ginigera, Koppal in the state of Karnataka with effect from last week of March 2020 till first week of May 2020. Post relaxation of lock down by the Government, both the plants have become partially operational as per guidelines of the Government."

Management has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and has concluded that there are no material impact or adjustments required in the consolidated financial statements. The stress on liquidity position has been partially mitigated by the relief given by the Government, RBI, Electricity Distribution Companies, etc.

Management has assessed likely impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the consolidated financial statements. Management expects that considering the nature of its business operations, existing customer and supplier relationships, impact on its business operations, if any, arising from COVID-19 pandemic may not be significant in the long run and would be able to recover carrying amount of all its assets as appearing in the financial statements. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results. The Management will continue to monitor any material changes to future economic conditions.

Note 45: 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, 2020 based on actuarial valuation amounting to Rs. (0.12) crore (March 31, 2019 Rs. 0.38 crore) 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 crore)

	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Employer's Contribution to Provident Fund	**5.83**	5.63
Employer's Contribution to FPF	**1.87**	2.01
Employer's Contribution to EDLI	**0.65**	0.66
Employer's Contribution to ESIC	**0.04**	0.12
Employer's Contribution to Maharashtra Labour Welfare fund	**0.01**	0.01
Employer's Contribution to superannuation fund	**2.74**	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.

Notes (Contd.)

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, 2020	For the year ended March 31, 2019
		Gratuity (funded)	Gratuity (funded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current Service Cost	**2.48**	4.65
	Past Service Cost	**0.73**	-
	Expected return on plan assets	**-**	-
	Interest cost on benefit obligation	**1.65**	1.80
	Total Expenses	**4.86**	6.45
II	**Expenses recognised in OCI**		
	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	**0.59**	(0.83)
	Actuarial (Gain)/ Losses due to Experience on DBO	**(2.06)**	(2.19)
	Return on plan assets, excluding amount recognised in net interest expense	**-**	(0.18)
	Total Expenses	**(1.47)**	(3.20)
III	**Net Asset /(Liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	**(48.38)**	(46.80)
	Fair Value of Plan Assets (For the year 2019-20, it is as estimated by Trustees in absence of certificates from LIC)	**26.62**	25.33
	Funded status [Surplus/(Deficit)]	**(21.76)**	(21.47)
IV	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	**46.79**	44.53
	Current Service Cost	**2.48**	2.54
	Past service cost / acquisition adjustment	**-**	-
	Interest Cost	**3.60**	3.42
	Actuarial (Gain)/Loss	**(1.47)**	(3.01)
	Benefits paid	**(3.03)**	(0.69)
	Present value of defined benefit obligation at the end of the year	**48.38**	46.80
V	**Movements in fair value of the plan assets**		
	Opening fair value of plan assets	**25.33**	21.11
	Investment income	**1.84**	1.62
	Return on plan assets, excluding amount recognised in net interest expense	**-**	0.18
	Contribution from Employer	**1.15**	3.11
	Benefits paid	**(1.70)**	(0.69)
	Closing fair value of the plan asset	**26.62**	25.33
VI	**Maturity profile of defined benefit obligation**		
	Within the next 12 months (next annual reporting period)	**11.77**	12.15
	Between 2 and 5 years	**15.33**	14.38
	Between 6 and 10 years	**22.76**	22.72
	More than 10 years	**36.43**	43.39
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	**(3.09)**	(2.97)
	(ii) -100 basis points decrease in discount rate	**3.53**	3.40
	(iii) +100 basis points increase in rate of salary increase	**3.59**	3.46
	(iv) -100 basis points decrease in rate of salary increase	**(3.20)**	(3.08)

2	**Sensitivity analysis method**		
	Sensitivity analysis 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, 2020**	As at March 31, 2019
1	Discount rate	**6.75 % to 6.80%**	7.6 % to 7.7%
2	Expected rate of salary increase	**4.00% p.a. to 7.00% p.a.**	4.75% p.a. to 6.79% p.a.
3	Attrition rate	**0.80% to 2%**	0.80% to 2%
4	Mortality	**Indian Assured Lives Mortality (2012-14) 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. 4.46 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 holding 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 46: Reconciliation of liabilities arising from financing activities (Rs. in crore)

Particulars	Opening Balance	Cash Movement	Foreign exchange changes	Fair value changes	Others	Closing Balance
March 31, 2020						
Fixed Deposits	47.64	1.18	-	-	-	48.82
Working capital loans from Banks	383.24	(19.88)	-	-	-	363.36
Preference Share Liability	4.41	-	-	-	0.41	4.82
Borrowings (secured & unsecured)	2,139.71	199.48	-	-	-	2,339.19
Lease liability	-	(29.40)	-	-	57.28	27.88
Total	**2,575.00**	**151.38**	**-**	**-**	**57.69**	**2,784.07**
March 31, 2019						
Fixed Deposits	116.41	(68.77)	-	-	-	47.64
Working capital loans from Banks	537.58	(154.34)	-	-	-	383.24
Preference Share Liability	3.97	-			0.44	4.41
Borrowings (secured & unsecured)	1,466.39	673.32	-	-	-	2,139.71
Total	**2,124.35**	**450.21**	**-**	**-**	**0.44**	**2,575.00**

These cash movements are included in the cash flow statement under cash flow from financing activities.

Note 47 : 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)

	Particulars	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, 2020**								
a	**Non-Current Financial Assets**								
	Investments in Quoted Equity Instruments	0.47			0.47	0.47		-	0.47
	Other Financial Assets			15.46	15.46			-	-
b	**Current Financial Assets**								
	Trade Receivable			418.31	418.31			-	-
	Cash & Cash Equivalents			9.99	9.99			-	-
	Other Bank Balance			68.16	68.16			-	-
	Loans			333.20	333.20			-	-
	Other Financial Assets			215.36	215.36			-	-
	Total	**0.47**	**-**	**1,060.48**	**1,060.95**	**0.47**	**-**	**-**	**0.47**
c	**Non-current Financial liabilities**								
	Borrowings			1,894.16	1,894.16			-	-
	Other Financial Liabilities			-	-			-	-
d	**Current Financial liabilities**								-
	Short term borrowings			784.67	784.67			-	-
	Trade Payables			761.76	761.76			-	-
	Other Financial Liabilities	0.72		183.06	183.78		0.72	-	0.72
	Total	**0.72**	**-**	**3,623.65**	**3,624.37**	**-**	**0.72**	**-**	**0.72**
2	**Financial Assets and Liabilities as at March 31, 2019**								
a	**Non-Current Financial Assets**								
	Investments in Quoted Equity Instruments	0.67			0.67	0.67		-	0.67
	Other Financial Assets			15.68	15.68			-	-
b	**Current Financial Assets**								
	Trade Receivable			455.03	455.03			-	-
	Cash & Cash Equivalents			7.80	7.80			-	-
	Other Bank Balance			60.92	60.92			-	-
	Loans			273.14	273.14			-	-
	Other Financial Assets			306.12	306.12			-	-
	Total	**0.67**	**-**	**1,118.69**	**1,119.36**	**0.67**	**-**	**-**	**0.67**
c	**Non-current Financial liabilities**								
	Borrowings			1,567.78	1,567.78			-	-
	Other Financial Liabilities			4.00	4.00			-	-
d	**Current Financial liabilities**								-
	Short term borrowings			860.07	860.07			-	-
	Trade Payables			761.80	761.80			-	-
	Other Financial Liabilities	4.25		209.32	213.57		4.25	-	4.25
	Total	**4.25**	**-**	**3,402.97**	**3,407.22**	**-**	**4.25**	**-**	**4.25**

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 48: 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 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 (net of provision) has been considered from the date the invoice falls due -

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Not due		
0 to 180 days due past due date	**380.16**	384.35
More than 180 days past due date	**38.15**	70.68
	418.31	455.03

The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

(Rs. in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Provision	**57.04**	54.61
Addition/(Reversal) during the year	**14.82**	2.43
Closing provision	**71.86**	57.04

ii. Provision for ECL of Loans, Unbilled Revenue and Trade Receivables

Financial assets for which loss allowance is measured using 12 month expected credit losses

The movement in the allowance for impairment in respect of loans, unbilled revenue and trade receivables during the year was as follows:

Rs in crore

Particulars	Loan	Unbilled Revenue	Trade Receivable
Balance as at 31st March 2019	14.66	22.71	57.04
Provision for ECL	(1.49)	(2.36)	14.82
Balance as at 31st March, 2020	13.17	20.35	71.86

iii. Cash and bank balances

The Group held cash and cash equivalent and other bank balance of Rs. 78.15 crore at March 31, 2020 (March 31, 2019: Rs. 68.72 crore). 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 crore)

Contractual maturities of financial liabilities 31st March 2020	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Long term borrowings	**77.36**	**221.31**	**1,672.85**	**1,971.52**
Short term borrowings	**784.67**	**-**	**-**	**784.67**
Trade payables	**761.76**	**-**	**-**	**761.76**
Other financial liabilities	**106.42**	**-**	**-**	**106.42**
Total	**1,730.21**	**221.31**	**1,672.85**	**3,624.37**
Derivatives	**194.32**			**194.32**
Total	**194.32**	**-**	**-**	**194.32**

(Rs. in crore)

Contractual maturities of financial liabilities 31st March 2019	1 year or less	1-2 years	More than 2 years	Total
Non-Derivative				
Long term borrowings	147.15	36.84	1,530.94	1,714.93
Short term borrowings	860.07			860.07
Trade payables	761.80			761.80
Other financial liabilities	66.42		4.00	70.42
Total	1,835.44	36.84	1,534.94	3,407.22
Derivatives	252.43			252.43
Total	252.43	-	-	252.43

(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 crore)

Particulars	31st March 2020	31st March 2019
Variable rate borrowings	**253.46**	116.19
Fixed rate borrowings	**2,502.73**	2,458.81
Total borrowings	**2,756.19**	2,575.00

(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	31st March 2020	31st March 2019
Interest rates – increase by 100 basis points *	**1.64**	0.52
Interest rates – decrease by 100 basis points *	**(1.64)**	(0.52)

* Holding all other variables constant

Notes (Contd.)

(G) Foreign Exchange Risk :

i) Derivative instruments outstanding:

Particulars	As at 31-Mar-20		Equivalent (Rupees)	As at 31-Mar-19		Equivalent (Rupees)
For Imports	**USD**	**2.45**	177.39	USD	3.53	251.00
	EURO	**-**	-	EURO	-	-
For Exports	**USD**	**0.19**	13.83	USD	0.02	1.43
	EURO	**0.04**	3.10	EURO	-	-

ii) 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	**0.029**	**2.184**	**1.769**	**133.821**	**-**	**-**	**-**	**-**	**0.006**	**0.473**	**-**	**-**	**1.804**	**136.479**
	0.162	11.169	-	-	-	-	-	-	0.011	0.745	-	-	0.172	11.914
EURO	**-**	**-**	**0.019**	**1.570**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.019**	**1.570**
	-	-	0.030	2.303	-	-	-	-	-	-	-	-	0.030	2.303
AUD	**-**	**-**	**0.000**	**0.008**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.000**	**0.008**
	-	-	0.000	0.009	-	-	-	-	-	-	-	-	0.000	0.009
SEK	**-**	**-**	**0.018**	**0.135**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.018**	**0.135**
	-	-	0.018	0.134	-	-	-	-	-	-	-	-	0.018	0.134
Total													**1.841**	**138.191**
													0.220	14.360

Figures in bold type relate to current year and figures in normal type relate to previous year

iii) Sensitivity if the Exchange rate moves upward / downward by Rs. 1/-

Amount in crore

Liability	Increase	Decrease
Upward	**1.841**	
	0.220	
Downward		**(1.841)**
		(0.220)

Notes (Contd.)

Note 49 : Segment Information for the year ended 31st March, 2020

A. Primary Segment - (Business Segment) :

(Rs. In crore)

Sr. No.	Particulars	2019-20	2018-19
1	**Segment Revenue**		
	Specialty Steel	**2,795.62**	3,533.53
	Industrial Machinery & Engineering Contracts	**109.31**	138.66
	Others	**22.65**	19.65
	Less : Inter Segment Revenue	**(4.89)**	(2.38)
	Total Segment Revenue	**2,922.69**	3,689.46
2	**Segment Result**		
	Specialty Steel	**89.53**	133.48
	Industrial Machinery & Engineering Contracts	**(29.67)**	(13.26)
	Others	**(50.78)**	(14.23)
	Less : Inter Segment Revenue	**(0.67)**	(0.20)
	Total Segment Result	**8.41**	105.79
	Add : Interest Income	**44.17**	54.84
	Other Income	**24.07**	5.29
	Share in Profits of Associates and Joint Ventures	**(49.77)**	18.87
	Less : Unallocable Expenditure	**25.49**	(38.86)
	Profit / (Loss) before Finance cost	**52.37**	145.93
	Less : Finance Cost	**(348.82)**	(304.21)
	Profit / (Loss) before Tax	**(296.45)**	(158.28)
3	**Segment Assets / Liabilities**	**2019-20**	2018-19
(i)	**Segment Assets**		
	Specialty Steel	**2,339.68**	2,227.35
	Industrial Machinery & Engineering Contracts	**363.28**	388.84
	Others	**166.33**	182.50
	Un-allocated Assets	**1,590.60**	1,669.18
	Total Assets	**4,459.89**	4,467.87
(ii)	**Segment Liabilities**		
	Specialty Steel	**887.17**	811.99
	Industrial Machinery & Engineering Contracts	**57.00**	80.92
	Others	**137.27**	158.83
	Un-allocated Liabilities	**2,707.78**	2,501.17
	Total Liabilities	**3,789.22**	3,552.91
4	**Total Net Capital Employed**	**670.67**	914.96
B.	**Secondary Segment - (Information of Geographical Areas) :**		
	Particulars	**2019-20**	2018-19
	Segment Revenue		
	India	**2,708.56**	3,396.85
	Rest of the World	**214.13**	292.61
		2,922.69	3,689.46
	Non Current Assets #		
	India	**664.28**	656.43
	Rest of the World	**-**	0.01

other than financial instruments, deferred tax assets, post-employment benefit assets.

C. Other Disclosure

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 Engineering 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 31-03-2020 at group level company made sale to one of its customer in steel segment of Rs. 523.34 crore (PY Rs. 635.42).

Note 50 : Statement of Net Assets and Profit or Loss Attributable to owners.

Rs. In crore

Sr No	Name	Net Assets				Share in Profit or (Loss)				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
		31-Mar-20		31-Mar-19		2019-20		2018-19		2019-20		2018-19		2019-20		2018-19	
		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 Company	**127.79%**	**857.02**	115.14%	1,053.46	**81.53%**	**(195.57)**	72.84%	(84.12)	**116.58%**	**2.25**	122.38%	3.50	**81.24%**	**(193.32)**	71.59%	(80.62)
A	**Subsidiaries**																
(a)	Indian																
(i)	Mukand Global Finance Ltd. (MGFL)	**4.47%**	**29.98**	3.18%	29.13	**-0.35%**	**0.85**	-1.47%	1.70	**0.00%**	**-**	0.00%	-	**-0.36%**	**0.85**	-1.51%	1.70
(ii)	Vidyavihar Containers Ltd. (VCL)	**-7.47%**	**(50.09)**	-5.75%	(52.61)	**-1.05%**	**2.52**	8.16%	(9.42)	**0.00%**	**-**	0.00%	-	**-1.06%**	**2.52**	8.36%	(9.42)
(iii)	Adore Trader & Realtor Pvt Ltd	**-2.69%**	**(18.06)**	-1.68%	(15.33)	**1.14%**	**(2.73)**	1.76%	(2.03)	**0.00%**	**-**	0.00%	-	**1.15%**	**(2.73)**	1.80%	(2.03)
(b)	Foreign																
(i)	Mukand International FZE (MIFZE)	**2.68%**	**17.97**	1.93%	17.66	**-0.33%**	**0.80**	-1.94%	2.24	**79.27%**	**1.53**	29.72%	0.85	**-0.98%**	**2.33**	-2.74%	3.09
(ii)	Mukand International Ltd. (MIL)	**0.00%**	**-**	0.00%	0.02	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
B	**Joint Ventures**																
(i)	Mukand Sumi Special Steel Ltd (MSSSL) formerly known as (Mukand Alloy Steel Ltd	**138.36%**	**927.97**	105.67%	966.84	**16.14%**	**(38.72)**	-13.20%	15.25	**-7.93%**	**(0.15)**	3.57%	0.10	**16.34%**	**(38.87)**	-13.63%	15.35
(ii)	Mukand Sumi Metal Processing Ltd. (MSMPL)	**23.44%**	**157.22**	18.38%	168.14	**4.59%**	**(11.00)**	-3.77%	4.36	**2.59%**	**0.05**	0.21%	0.01	**4.60%**	**(10.95)**	-3.87%	4.36
(iii)	Hospet Steels Ltd. (HSL)	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
(iv)	Mukand Vini Mineral Ltd. (MVML)	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
C	**Associates**																
(i)	Mukand Engineers Ltd. (MEL)	**-0.79%**	**(5.27)**	0.67%	6.14	**4.54%**	**(10.90)**	6.93%	(8.00)	**-26.38%**	**(0.51)**	-2.78%	(0.08)	**4.79%**	**(11.41)**	7.17%	(8.08)
(ii)	Bombay Forgings Ltd. (BFL)	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
(iii)	Stainless India Ltd. (SIL)	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
	Total	**285.79%**	**1,916.73**	237.55%	2,173.44	**106.20%**	**(254.75)**	69.30%	(80.02)	**164.14%**	**3.17**	153.10%	4.38	**105.73%**	**(251.58)**	67.17%	(75.65)
	Intercompany elimination and consolidation adjustments	**-185.79%**	**(1,246.07)**	-137.55%	(1,258.48)	**-6.20%**	**14.87**	30.70%	(35.46)	**-64.14%**	**(1.24)**	-53.10%	(1.52)	**-5.73%**	**13.63**	32.83%	(36.97)
	Total	**100%**	**670.67**	100%	914.96	**100%**	**(239.88)**	100%	(115.48)	**100%**	**1.93**	100%	2.86	**100.00%**	**(237.95)**	100.00%	(112.62)

Notes (Contd.)

Note 51 : 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, 2020 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 Liabilities.

(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 (MVML). In FY 2018-19 MVML had filed form STK - 2 with Registrar of Companies for striking off its name, which is under process.

(vi) Mukand ltd 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 Mukand is carried out, accordingly. Wherever, due to the terms of the alliance, estimations are required to be made in respect of expenses, liabilities, production, etc., the same have been relied upon by the auditors, being technical matters.

(vii) The statutory auditor of Mukand Engineers Ltd, an associate company, vide their report dated 27th June 2020 have observed as follows : The Company had filed Company Scheme Petition seeking sanction of the NCLT, Mumbai bench and the same was admitted by NCLT Special Bench, Mumbai on 23rd April, 2020. Final hearing on the petition and approval of the Scheme by NCLT is awaited. The Scheme is also subject to requisite approval of other Statutory or Regulatory authorities as may be applicable. On implementation of the Scheme, the Company will cease to exist and all the assets and liabilities of the Company will be transferred to Mukand Limited w.e.f. the Appointed Date on a going concern basis without any further act, instrument, deed, matter or thing by virtue of and in the manner provided in the Scheme. In view of this the financial statements have been prepared on a going concern basis.

Note 52 : Previous Year's figures have been regrouped / recast wherever necessary.

As per our attached report of even date	For and on behalf of Board of Directors		
For Haribhakti & Co. LLP	**Niraj Bajaj**	**Rajesh V Shah**	**Suketu V Shah**
Chartered Accountants	Chairman & Managing Director	Co-Chairman & Managing Director	Joint Managing Director
ICAI Firm Registration No. 103523W / W100048	DIN : 00028261	DIN : 00021752	DIN : 00033407
Sumant Sakhardande	**Umesh V Joshi**	**A M Kulkarni**	**K J Mallya**
Partner	Chief Financial Officer	Chief Executive Officer	Company Secretary
Membership No. 034828			
Mumbai, June 27, 2020	Mumbai, June 27, 2020		

NOTES

MUKAND
Infinite resolve

MUKAND LIMITED

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