

Mukand Ltd.

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CIN : L99999MH1937PLC002726

SEC/STOCK EXCHANGE/BM-481

November 14, 2018

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

Re : Un-audited Financial Results for the Second quarter / Six months ended September 30, 2018.

With reference to the above and in accordance with the provisions of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Un-audited Financial Results for the second quarter / six months ended September 30, 2018, have been considered and approved at the meeting of the Board of Directors of the Company held today.

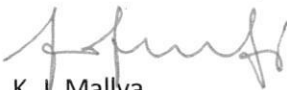
In this regard, we enclose the copy of Un-audited Financial Results in the prescribed format together with copy of Limited Review Report of the Statutory Auditors of the Company, M/s. Haribhakti & Co.,LLP, Chartered Accountants, for your information and records.

The above meeting commenced at 11.45 a.m. and concluded at 1.00 p.m.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For **Mukand Limited,**



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

Encl : As above





CIN L 99999 MH 1937 PLC 002726

MUKAND LIMITED

Regd. Office : Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR SIX MONTHS AND THE QUARTER ENDED SEPTEMBER 30, 2018

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
			Refer Note 4		Refer Note 4	
I TOTAL REVENUE						
a) Sale of Goods & Services	989.20	808.90	731.70	1,798.10	1,490.15	3,083.16
b) Other Operating Income	3.76	11.50	3.63	15.26	6.36	23.49
I Revenue from Operations	992.96	820.40	735.33	1,813.36	1,496.51	3,106.65
II Other Income	12.74	9.73	7.44	22.47	14.58	300.93
III Total Revenue I+II	1,005.70	830.13	742.77	1,835.83	1,511.09	3,407.58
IV EXPENSES						
a) Cost of materials consumed	549.04	477.28	391.09	1,026.32	838.46	1,772.18
b) Purchase of Stock in Trade	4.58	4.07		8.65		11.73
c) Changes in inventories of finished goods and work-in-progress	11.47	(42.28)	17.59	(30.81)	(59.18)	(54.47)
d) Excise Duty			0.88		36.82	36.83
e) Employee benefits expense	51.46	51.73	42.64	103.19	86.27	182.47
f) Finance Costs	72.88	71.62	65.62	144.50	130.60	267.25
g) Depreciation	14.08	14.18	13.64	28.26	27.10	56.47
h) Other Expenditure	331.28	287.09	247.26	618.37	511.69	1,102.77
i) Expenditure transferred to Capital Account / Capital Work-in-Progress	(0.78)	(0.25)	(1.52)	(1.03)	(5.82)	(6.95)
IV Total Expenses	1,034.01	863.44	777.20	1,897.45	1,565.94	3,368.28
V Profit / (Loss) before Exceptional items & tax (III-IV)	(28.31)	(33.31)	(34.43)	(61.62)	(54.85)	39.30
VI Exceptional Income / (Expenses)						(13.46)
VII Profit / (Loss) before tax (V-VI)	(28.31)	(33.31)	(34.43)	(61.62)	(54.85)	25.84
VIII Tax Expense						
Current Tax (MAT)						(5.07)
Deferred Tax (Charge) / Credit & MAT Entitlement Credit	8.81	11.11	6.25	19.92	10.12	23.29
Total Tax	8.81	11.11	6.25	19.92	10.12	18.22
IX Profit/(Loss) for the period/year (VII - VIII)	(19.50)	(22.20)	(28.18)	(41.70)	(44.73)	44.06
X Other Comprehensive Income						
Items that will not be reclassified to Profit or loss-						
a) Actuarial Gain on Employee defined benefit funds	0.83	0.83	0.10	1.66	0.20	3.30
Changes in Fair Value of Equity Instruments						39.71
b) Less : Deferred tax on above	(0.26)	(0.26)	(0.03)	(0.52)	(0.06)	(12.30)
Net	0.57	0.57	0.07	1.14	0.14	30.71
XI Total Comprehensive Income (IX+X)	(18.93)	(21.63)	(28.11)	(40.56)	(44.59)	74.77
XII Earnings per Equity Share (EPS) - Face Value Rs 10/- each						
Basic and Diluted EPS (in Rs.)	(1.38)	(1.57)	(1.99)	(2.95)	(3.16)	3.12



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MUKAND LIMITED

Rs. Crores

		Quarter ended			Six months ended		Year ended
		30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
		Unaudited	Unaudited	Unaudited Refer Note 4	Unaudited	Unaudited Refer Note 4	Audited
	SEGMENT REVENUE						
1)	Specialty Steel	959.81	794.63	722.85	1,754.44	1,459.79	3,033.40
2)	Industrial Machinery & Engineering Contracts	34.13	25.98	14.11	60.11	43.31	80.50
	Sub-total	993.94	820.61	736.96	1,814.55	1,503.10	3,113.90
	Less : Inter Segment Revenue	(0.98)	(0.21)	(1.63)	(1.19)	(6.59)	(7.25)
	Total Segment Revenue	992.96	820.40	735.33	1,813.36	1,496.51	3,106.65
	SEGMENT RESULT						
1)	Specialty Steel	38.86	35.96	37.18	74.80	80.54	59.35
2)	Industrial Machinery & Engineering Contracts	(2.01)	(1.95)	(7.13)	(3.96)	(8.70)	(24.55)
	Less : Inter segment margin	(0.12)	(0.01)	(0.26)	(0.13)	(1.07)	(1.14)
	Total Segment Result	36.73	34.00	29.79	70.71	70.77	33.66
	Add / (Less) :						
	Other net un-allocable :						
	Interest Income	10.11	9.23	5.51	19.34	12.36	25.25
	Income	2.64	0.50	1.93	3.14	2.21	275.74
	Expenditure	(4.91)	(5.42)	(6.04)	(10.31)	(9.59)	(41.56)
	Other net un-allocable (expenditure) / income	7.84	4.31	1.40	12.17	4.98	259.43
	Profit / (Loss) before Finance costs	44.57	38.31	31.19	82.88	75.75	293.09
	Less : Finance costs	72.88	71.62	65.62	144.50	130.60	267.25
	Profit / (Loss) before tax	(28.31)	(33.31)	(34.43)	(61.62)	(54.85)	25.84
	SEGMENT ASSETS / LIABILITIES	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17	31-Mar-18
A	Segment Assets						
1)	Specialty Steel	2,340.43	2,370.98	2,277.44	2,340.43	2,277.44	2,022.42
2)	Industrial Machinery & Engineering Contracts	386.65	396.77	383.65	386.65	383.65	372.48
3)	Corporate - Unallocable	1,748.58	1,646.31	580.58	1,748.58	580.58	1,986.41
		4,475.66	4,414.06	3,241.67	4,475.66	3,241.67	4,381.31
B	Segment Liabilities						
1)	Specialty Steel	1,094.82	921.47	1,015.63	1,094.82	1,015.63	1,076.39
2)	Industrial Machinery & Engineering Contracts	71.99	65.55	553.90	71.99	553.90	61.65
3)	Corporate - Unallocable	2,215.31	2,314.60	1,352.98	2,215.31	1,352.98	2,109.21
		3,382.12	3,301.62	2,922.51	3,382.12	2,922.51	3,247.25
	Total Net Capital Employed	1,093.54	1,112.44	319.16	1,093.54	319.16	1,134.06



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Statement of Assets and Liabilities as on		30-Sep-18	31-Mar-18
I Assets			
(A) Non Current Assets			
(1) Property Plant & Equipment, Capital Work in Progress & Intangible Assets			
a)	Property Plant & Equipment	538.30	561.98
b)	Capital Work in Progress	26.30	23.40
c)	Intangible assets	0.11	0.12
		564.71	585.50
(2) Financial Assets			
a)	Non Current Investments	1,427.79	1,427.79
b)	Other Non-Current Financial Assets	17.07	29.79
		1,444.86	1,457.58
(3)	Deferred tax Assets		
(4)	Income Tax Assets	63.58	49.72
(5)	Other non-current assets	74.04	73.46
		137.62	123.18
Total (A)		2,147.19	2,166.26
(B) Current Assets			
(1)	Inventories	1,275.15	1,105.02
(2) Financial Assets			
a)	Trade Receivables	465.78	310.16
b)	Cash & Cash Equivalents and Other Bank Balances		
i)	Cash & Cash Equivalents	9.06	11.08
ii)	Bank Balances Other than (i) above	61.90	47.46
		70.96	58.54
c)	Short term loans	60.52	48.18
d)	Other Financial Assets	275.82	564.92
		336.34	613.10
(3)	Other current assets	180.24	128.23
Total (B)		2,328.47	2,215.05
TOTAL ASSETS		4,475.66	4,381.31
II. EQUITY AND LIABILITIES			
II.1 Equity			
a)	Share Capital	141.42	141.42
b)	Other Equity	952.12	992.64
		1,093.54	1,134.06
II.2 Liabilities			
A Non Current Liabilities			
(1) Financial Liabilities			
a)	Borrowings	1,338.16	779.09
b)	Other Financial liabilities	4.00	4.00
		1,342.16	783.09
(2)	Provisions	33.34	35.17
(3)	Deferred tax Liabilities	68.92	88.32
Total (A)		1,444.42	906.58
(B) Current Liabilities			
(1) Financial Liabilities			
a)	Short Term Borrowings	657.53	879.32
b)	Trade Payables due to Micro Enterprises and Small Enterprises	1.46	2.97
	Other than Micro Enterprises and Small Enterprises	1,021.08	985.58
		1,022.54	988.55
c)	Other Financial Liabilities	202.88	349.06
		1,882.95	2,216.93
(2)	Other Current Liabilities	45.93	115.38
(3)	Short Term provisions	8.82	8.36
Total (B.2)		1,937.70	2,340.67
TOTAL EQUITY AND LIABILITIES		4,475.66	4,381.31



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Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th November 2018. Statutory Auditors of the Company have conducted Limited Review of these Financial Results.
2. The Company has adopted revenue recognition in accordance with Ind AS 115 'Revenue from Contracts with Customers' which is effective from April 1 2018. This did not have any material impact on the financial results for the period upto March 31, 2018 and for the quarter / half year ended September 30, 2018.
3. Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2018:
 - a. The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs.89.86 Crore (Gross) as at 30th September 2018 as against Rs.86.49 Crore (Gross) as at 31st March 2018. Adequate provision of Rs.43 Cr (approx.) against trade receivables has been made in the accounts by way of expected credit loss. The management, considering its long-term view on the 'net exposures', the valuation of unencumbered fixed assets and value of current assets of BFL, considers the balance 'net exposures' to be 'Good' and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.
 - b. The Company in previous years executed road construction projects in the state of Uttar Pradesh with National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. The exposure on this account as at 30th September 2018 aggregated Rs.121.49 Crore as compared to Rs.123.97 Crore as at 31st March 2018. The amount of total claims now aggregates Rs.287.98 Crore (as at 31.03.2018: Rs.288.23 Crore). Arbitration hearings for various claims have been concluded and the award(s) are expected by January 2019. As all the losses expected are already recognized till the close of the period, in the opinion of the management, exposures of Rs.121.49 Cr at 42% of the claims are fully realizable, as also opined by a legal Consultant. These exposures are likely to be realized progressively over a period of next 1 to 2 years.



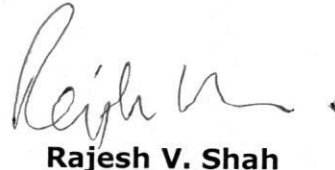
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4. Result for the quarter ended September 30, 2017 has been restated to give effect to the Scheme of Arrangement & Amalgamation for transfer of Alloy Steel Rolling & Finishing Business (ASRFB), as Company gave effect to the Scheme in the Financial Statements of FY 2017-18 with effect from January 1, 2017, being the Appointed date under the Scheme.
5. Figures in respect of the previous period have been regrouped / recast wherever necessary.

**By Order of the Board of Directors
For Mukand Ltd.,**


Niraj Bajaj

Chairman & Managing Director


Rajesh V. Shah

Co-Chairman & Managing Director

Place : **Mumbai**

Date : **14th November 2018**



Limited Review Report on the Unaudited Financial Results for the quarter ended September 30, 2018 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors

Mukand Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Mukand Limited ('the Company') for the quarter ended September 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/ 62/2016 dated July 5, 2016. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standard and other recognised accounting practices and policies, have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations



and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw attention to the following:

(a) Note 3(a) to the Statement, relating to the Exposures in Bombay Forging Limited ("BFL") aggregating Rs. 89.86 crores (gross) as at September 30, 2018 (Rs. 86.49 crores as at March 31, 2018). The Management has created a provision of Rs. 43 crores (approximately) on this exposure following the expected credit loss principle and barring any significant uncertainties in future, has relied upon the valuation of unencumbered fixed assets and the value of current assets for the balance portion of exposure in BFL.

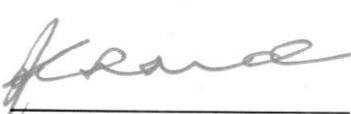
(b) Note 3(b) to the Statement, relating to the exposures aggregating Rs. 121.49 crores as at September 30, 2018 (Rs. 123.97 crores as at March 31, 2018), in respect of road construction activity, the claims for which are being processed at various appellate fora and our reliance on the management's expectation backed by the legal opinion, of its realisability of balances over a period of next 1 to 2 years.

Our report is not modified in respect of these matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048


Sumant Sakhardande

Partner

Membership No.:034828



Place: Mumbai

Date: November 14, 2018