

**Mukand Ltd.**

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

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

SEC/STOCK EXCHANGE/BM-473

May 24, 2017

|                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Department of Corporate Services<br><b>Bombay Stock Exchange Ltd.,</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 021.<br><br>ISIN CODE :     INE304A01026<br>INE304A04012<br>BSE Scrip Code : 500460 | 2. Listing Department<br><b>National Stock Exchange of India Ltd.</b><br>Exchange Plaza, Plot no. C/1, G Block,<br>Bandra-Kurla Complex<br>Bandra (E), Mumbai – 400051<br><br>ISIN CODE :     INE304A01026<br>INE304A04012<br>NSE Scrip Name : MUKAND LTD. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Dear Sir(s),

**Re : Standalone and Consolidated Financial Results for the quarter and year ended 31<sup>st</sup> March, 2017.**

In terms of the provisions of the Regulation 30 (read with Part A of Schedule III) and 33 of the SEBI Listing Regulations, 2015, we enclose the following statements for the quarter and year ended 31<sup>st</sup> March, 2017, which were approved and taken on record at the meeting of the Board of Directors held today, the 24<sup>th</sup> May, 2017:

- Statement of Standalone Unaudited / Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2017 along with Audit Report; and
- Statement of Consolidated Unaudited / Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2017 along with Audit Report.

The audit reports are submitted with unmodified opinion (free from any qualifications).

The meeting commenced at 12.15 p.m. and concluded at 1.45 p.m.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
For **Mukand Limited**,



K. J. Mallya  
**Company Secretary**  
(kimallya@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 AUDITED FINANCIAL RESULTS FOR THE TWELVE MONTHS AND QUARTER ENDED MARCH 31, 2017

**Rs. Crores**

|      | Particulars                                                                                             | Quarter ended |           |           | Twelve months ended |           |
|------|---------------------------------------------------------------------------------------------------------|---------------|-----------|-----------|---------------------|-----------|
|      |                                                                                                         | 31-Mar-17     | 31-Dec-16 | 31-Mar-16 | 31-Mar-17           | 31-Mar-16 |
|      |                                                                                                         | Unaudited     | Unaudited | Unaudited | Audited             | Audited   |
| I    | TOTAL REVENUE                                                                                           |               |           |           |                     |           |
|      | Revenue from Operations                                                                                 | 770.80        | 728.04    | 763.66    | 3,025.97            | 3,068.04  |
|      | Less : Excise Duty Recovered                                                                            | 82.38         | 76.01     | 84.55     | 328.56              | 337.05    |
|      | Net Revenue from Operations                                                                             | 688.42        | 652.03    | 679.11    | 2,697.41            | 2,730.99  |
| II   | Other Income                                                                                            | 7.32          | 14.28     | 6.22      | 28.06               | 21.57     |
| III  | Total Revenue I+II                                                                                      | 695.74        | 666.31    | 685.33    | 2,725.47            | 2,752.56  |
| IV   | EXPENSES                                                                                                |               |           |           |                     |           |
| a)   | Cost of materials consumed                                                                              | 292.40        | 311.19    | 250.70    | 1,153.45            | 1,203.92  |
| b)   | Purchase of Stock in Trade                                                                              |               |           | 0.18      |                     | 0.88      |
| c)   | Changes in inventories of finished                                                                      | 27.05         | (74.99)   | (12.44)   | (77.97)             | (71.08)   |
| d)   | Employee benefits expense                                                                               | 44.15         | 42.97     | 46.16     | 171.42              | 171.26    |
| e)   | Finance Costs (net)                                                                                     | 70.18         | 71.38     | 68.81     | 279.95              | 278.91    |
| f)   | Depreciation and Amortisation expenses                                                                  | 18.22         | 17.88     | 18.59     | 70.96               | 73.99     |
| g)   | Other Expenditure                                                                                       | 275.61        | 289.38    | 305.72    | 1,123.95            | 1,094.89  |
| h)   | Expenditure transferred to Capital Account / Capital Work-in-Progress                                   | (0.81)        |           | (0.72)    | (2.72)              | (2.35)    |
|      | Total Expenses                                                                                          | 726.80        | 657.81    | 677.00    | 2,719.04            | 2,750.42  |
| V    | Profit / (Loss) before tax (III - IV)                                                                   | (31.06)       | 8.50      | 8.33      | 6.43                | 2.14      |
| VI   | Tax Expense                                                                                             |               |           |           |                     |           |
|      | Current Tax                                                                                             |               |           |           |                     |           |
|      | Deferred Tax Charge / (Credit)                                                                          | (9.65)        | 1.18      | 2.31      | (0.97)              | 0.52      |
| VII  | Profit/(Loss) for the period before tax adjustments pertaining to earlier years                         | (21.41)       | 7.32      | 6.02      | 7.40                | 1.62      |
|      | Less : Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years |               |           |           |                     |           |
| a)   | MAT Entitlement Lapsing                                                                                 | 5.18          | 5.17      |           | 15.53               |           |
| b)   | Deferred Tax Charge due to lapsing of business loss                                                     | 33.68         |           |           | 33.68               |           |
|      |                                                                                                         | 38.86         | 5.17      |           | 49.21               |           |
|      | Profit / (Loss) for the period                                                                          | (60.27)       | 2.15      | 6.02      | (41.81)             | 1.62      |
| VIII | Earnings per Equity Share (EPS) - (in Rs.)                                                              |               |           |           |                     |           |
|      | Basic and Diluted EPS (in Rs.)                                                                          | (4.26)        | 0.15      | 0.43      | (2.96)              | 0.11      |



|    |                                               | Quarter ended |           |            | Twelve months ended |            |
|----|-----------------------------------------------|---------------|-----------|------------|---------------------|------------|
|    |                                               | 31-Mar-17     | 31-Dec-16 | 31-Mar-16  | 31-Mar-17           | 31-Mar-16  |
|    |                                               | Unaudited     | Unaudited | Unaudited  | Audited             | Audited    |
|    | SEGMENT REVENUE (NET OF EXCISE DUTY)          |               |           |            |                     |            |
| 1) | Specialty Steel                               | 647.25        | 617.55    | 618.91     | 2,530.70            | 2,599.44   |
| 2) | Power Generation                              | 10.63         | 15.42     | 13.54      | 57.65               | 39.96      |
| 3) | Industrial Machinery & Engineering Contracts  | 41.92         | 34.21     | 60.36      | 169.12              | 132.96     |
| 4) | Others                                        |               |           |            |                     |            |
|    | Sub-total                                     | 699.80        | 667.18    | 692.81     | 2,757.47            | 2,772.36   |
|    | Less : Inter Segment Revenue                  | (11.38)       | (15.15)   | (13.70)    | (60.06)             | (41.37)    |
|    | Total Segment Revenue                         | 688.42        | 652.03    | 679.11     | 2,697.41            | 2,730.99   |
|    | SEGMENT RESULT                                |               |           |            |                     |            |
| 1) | Specialty Steel                               | 24.44         | 60.02     | 62.19      | 232.05              | 239.33     |
| 2) | Power Generation                              | 8.88          | 14.04     | 12.06      | 51.66               | 33.75      |
| 3) | Industrial Machinery & Engineering Contracts  | 1.55          | (5.76)    | 0.18       | (12.37)             | (1.83)     |
| 4) | Others                                        | (0.53)        | (0.65)    | (0.30)     | (2.55)              | (1.86)     |
|    | Less : Inter segment margin                   | (0.11)        | 0.06      | (0.02)     | (0.35)              | (0.13)     |
|    | Total Segment Result                          | 34.23         | 67.71     | 74.11      | 268.44              | 269.26     |
|    | Add / (Less) :                                |               |           |            |                     |            |
|    | Other net un-allocable :                      |               |           |            |                     |            |
|    | Income                                        | 7.32          | 14.27     | 6.22       | 28.05               | 21.57      |
|    | Expenditure                                   | 2.43          | 2.10      | 3.19       | 10.11               | 9.78       |
|    | Other net un-allocable (expenditure) / income | 4.89          | 12.17     | 3.03       | 17.94               | 11.79      |
|    | Profit /(Loss) before Finance costs           | 39.12         | 79.88     | 77.14      | 286.38              | 281.05     |
|    | Less : Finance costs (net)                    | 70.18         | 71.38     | 68.81      | 279.95              | 278.91     |
|    | Profit / (Loss) before tax                    | (31.06)       | 8.50      | 8.33       | 6.43                | 2.14       |
|    | SEGMENT ASSETS / LIABILITIES                  | 31-Mar-17     | 31-Dec-16 | 31-Mar-16  | 31-Mar-17           | 31-Mar-16  |
| A  | <b>Segment Assets</b>                         |               |           |            |                     |            |
| 1) | Specialty Steel                               | 3,471.27      | 3,498.27  | 4,693.01   | 3,471.27            | 4,693.01   |
| 2) | Power Generation                              | 40.84         | 41.95     | 44.17      | 40.84               | 44.17      |
| 3) | Industrial Machinery & Engineering Contracts  | 417.72        | 436.34    | 646.93     | 417.72              | 646.93     |
| 4) | Others                                        | 115.09        | 131.75    | 121.48     | 115.09              | 121.48     |
| 5) | Corporate - Unallocable                       | 422.26        | 436.27    | 451.06     | 422.26              | 451.06     |
|    |                                               | 4,467.18      | 4,544.58  | # 5,956.65 | 4,467.18            | # 5,956.65 |
| B  | <b>Segment Liabilities</b>                    |               |           |            |                     |            |
| 1) | Specialty Steel                               | 1,005.39      | 1,103.20  | 923.78     | 1,005.39            | 923.78     |
| 2) | Power Generation                              | 0.30          | 0.27      | 0.42       | 0.30                | 0.42       |
| 3) | Industrial Machinery & Engineering Contracts  | 60.91         | 62.56     | 89.42      | 60.91               | 89.42      |
| 4) | Others                                        |               |           |            |                     |            |
| 5) | Corporate - Unallocable                       | 2,975.70      | 2,893.41  | 2,824.96   | 2,975.70            | 2,824.96   |
|    |                                               | 4,042.30      | 4,059.44  | 3,838.58   | 4,042.30            | 3,838.58   |
|    | Total Net Capital Employed                    | 424.88        | 485.14    | 2,118.07   | 424.88              | 2,118.07   |

| Statement of Assets and Liabilities as on |                                               | 31-Mar-17 | 31-Mar-16  |
|-------------------------------------------|-----------------------------------------------|-----------|------------|
| <b>A</b>                                  | <b>EQUITY AND LIABILITIES</b>                 |           |            |
| <b>(1)</b>                                | <b>Shareholders' Funds</b>                    |           |            |
|                                           | (a) Share Capital                             | 147.05    | 147.05     |
|                                           | (b) Reserves and surplus                      | 277.83    | 1,971.02   |
|                                           | <b>Sub-total Shareholders' Funds</b>          | 424.88    | 2,118.07   |
| <b>(3)</b>                                | <b>Non Current Liabilities</b>                |           |            |
|                                           | (a) Long-term borrowings                      | 1,647.41  | 1,581.87   |
|                                           | (b) Other long term liabilities               | 4.00      | 4.00       |
|                                           | (c) Long-term provisions                      | 39.46     | 43.40      |
|                                           | <b>Sub total Non Current Liabilities</b>      | 1,690.87  | 1,629.27   |
| <b>(4)</b>                                | <b>Current Liabilities</b>                    |           |            |
|                                           | (a) Short-term borrowings                     | 948.70    | 882.06     |
|                                           | (b) Trade payables                            |           |            |
|                                           | Micro Enterprises and Small Enterprises       | 0.70      | 1.95       |
|                                           | Other Micro Enterprises and Small Enterprises | 863.50    | 835.84     |
|                                           | (b) Trade payables                            | 864.20    | 837.79     |
|                                           | (c) Other current liabilities                 | 531.65    | 483.82     |
|                                           | (d) Short-term provisions                     | 6.88      | 5.64       |
|                                           | <b>Sub total Current Liabilities</b>          | 2,351.43  | 2,209.31   |
|                                           | <b>TOTAL EQUITY AND LIABILITIES</b>           | 4,467.18  | # 5,956.65 |
| <b>B</b>                                  | <b>ASSETS</b>                                 |           |            |
| <b>(1)</b>                                | <b>Non Current Assets</b>                     |           |            |
|                                           | (a) Fixed Assets                              |           |            |
|                                           | Tangible assets                               | 712.70    | 2,406.73   |
|                                           | Intangible assets                             | 0.16      | 0.10       |
|                                           | Capital Work in Progress                      | 33.13     | 29.20      |
|                                           |                                               | 745.99    | 2,436.03   |
|                                           | (b) Non-current investments                   | 250.21    | 250.87     |
|                                           | (c) Deferred tax assets (net)                 | 12.10     | 44.80      |
|                                           | (d) Long-term loans and advances              | 118.84    | 116.39     |
|                                           | (e) Other non-current assets                  | 32.38     | 47.90      |
|                                           | <b>Non Current Assets</b>                     | 1,159.52  | 2,895.99   |
| <b>(2)</b>                                | <b>Current Assets</b>                         |           |            |
|                                           | (a) Inventories                               | 1,618.42  | 1,462.25   |
|                                           | (b) Trade receivables                         | 1,072.60  | 1,116.18   |
|                                           | (c) Cash and Bank Balances                    | 74.26     | 65.26      |
|                                           | (d) Short-term loans and advances             | 196.57    | 204.69     |
|                                           | (e) Other Current Assets                      | 345.81    | 212.28     |
|                                           | <b>Sub total Current Assets</b>               | 3,307.66  | 3,060.66   |
|                                           | <b>TOTAL ASSETS</b>                           | 4,467.18  | # 5,956.65 |



91

# Includes Revaluation of Assets

## **Notes:**

1) Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2017:

- a) Advances due from and investments made in Vidyavihar Containers Limited (VCL), aggregating Rs. 47.13 Crore as at 31<sup>st</sup> March, 2017 was same at Rs.47.13 Crore as at 31<sup>st</sup> March 2016. The Company, barring unforeseen circumstances, relies upon the estimation of future realizable values of the financial assets of VCL to recover its Exposures;
- a) The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs.82.01 Crore as at 31<sup>st</sup> March 2017 as against Rs.78.28 Crore as at 31<sup>st</sup> March 2016. The management, considering its long term view on the 'Exposures', relies upon the valuation of unencumbered fixed assets of BFL and value of current assets. It further relies upon future earnings from the ongoing business of BFL. The management considers the balance '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 31<sup>st</sup> March, 2017 aggregated Rs.113.54 Crore as compared to Rs.120.00 Crore as at 31<sup>st</sup> March 2016. The outcome of the Road Construction activity cannot be estimated with certainty at present. The amount of total claims excluding interest with NHAI now aggregates Rs.288.42 Crore (as at 31.03.2016: Rs.298.93 Crore). Bulk of these claims are now being processed at various appellate fora. It is the opinion of the management that in view of the substantially large claims to be settled progressively over a period of next 2 to 3 years, losses currently expected are already recognized till the close of the year.

During the year an amount of Rs.23.20 Crore (including interest) was realized towards various claims.

2)

- a) The Board of Directors of the company on 12th January 2017, has considered and approved, a scheme of arrangement and amalgamation amongst the Company, Mukand Vijayanagar Steel Limited (MVSL) and Mukand Alloy Steels Private Limited (MASPL) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of its Alloy Steel Rolling & Finishing business. The Appointed Date under the Scheme is 1st January 2017. BSE and NSE have in principle cleared the



Scheme and their observations have been included in the Scheme filed with National Company Law Tribunal (NCLT). The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.

- b) The Board of Directors of Company at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company, Whiteleaf Heavy Machinery Pvt Ltd., and Technosys Industrial Machinery Pvt Ltd. , and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of Industrial Machinery business . The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities. An application in this regard will be filed with the National Company Law Tribunal in due course of time.

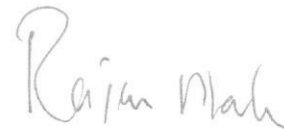
However, as the Company is currently in the process of finalizing detailed formal plans it does not necessitate the requirements of disclosures of AS 24 – Discontinuing Operations.

- 3) The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.
- 4) Figures in respect of previous year / quarter have been regrouped / recast wherever necessary.
- 5) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 24th May, 2017.

**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: 24<sup>th</sup> May 2017.



**Auditor's Report on Annual Consolidated Financial Results of the Company Pursuant to  
Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

To  
The Board of Directors  
**Mukand Limited**

1. We have audited the accompanying Statement of Annual Consolidated Financial Results 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 jointly controlled entity for the year then ended ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Holding Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual consolidated financial statements. Our responsibility is to express an opinion on this Statement based on our audit of such annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Account) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.
3. We believe that the audit evidences obtained by us and obtained by the other auditors in terms of their report referred to in paragraph 6 below, is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.



4. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of the reports of the other auditors, the Statement:

(i) includes the annual financial results of the following entities:

| Sr. No. | Name of the Entity                             | Relationship  |
|---------|------------------------------------------------|---------------|
| 1.      | Mukand Global Finance Limited                  | Subsidiary    |
| 2.      | Vidyavihar Containers Limited                  | Subsidiary    |
| 3.      | Mukand International Limited                   | Subsidiary    |
| 4.      | Mukand International FZE                       | Subsidiary    |
| 5.      | Mukand Sumi Metal Processing Limited           | Subsidiary    |
| 6.      | Mukand Alloy Steels Private Limited            | Subsidiary    |
| 7.      | Mukand Vijaynagar Steel Limited                | Subsidiary    |
| 8.      | Technosys Industrial Machinery Private Limited | Subsidiary    |
| 9.      | Whiteleaf Heavy Machinery Private Limited      | Subsidiary    |
| 10.     | Mukand Vini Minerals Limited                   | Joint Venture |
| 11.     | Mukand Engineers Limited                       | Associate     |
| 12.     | Bombay Forgings Limited                        | Associate     |
| 13.     | Stainless India Limited                        | Associate     |
| 14.     | Hospet Steels Limited                          | Associate     |

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) gives a true and fair view of the consolidated net loss and other financial information of the Group including its associates and jointly controlled entity for the year ended March 31, 2017.

5. We draw attention to the following:

a) Note 1 (a) to the Statement, relating to the Exposures in Bombay Forgings Limited (BFL), an associate company, aggregating Rs. 82.01 Crores as at March 31, 2017



(Rs. 78.28 Crores as at March 31, 2016), where the management has, barring any significant uncertainties in future, relied upon the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.

- b) Note 1 (b) to the Statement, relating to the Exposures aggregating Rs. 113.54 Crores as at March 31, 2017 (Rs. 120.00 Crores as at March 31, 2016), in respect of road construction activity and our reliance on the management's expectation of its realisability.
- c) The auditor of the jointly controlled entity have expressed Emphasis of Matter in their audit report, more specifically explained in Note 1 (c) to the Statement, relating to de-allocation of coal block allocated to the jointly controlled entity and its ability to continue its business.
- d) Note 1 (d) to the notes to the Consolidated Financial Statements, the realisability of the "Exposures" in certain investment companies (through wholly owned subsidiary) aggregating Rs. 8.58 Crores as at March 31, 2017 (Rs. 8.58 Crores at March 31, 2016) and the reliance upon amount realisable from the financial assets of these companies.
- e) The auditors of the Associate Company have expressed Emphasis of Matter in their audit report regarding Note 1 (e) to the notes to the Consolidated Financial Statements, the Exposures towards overdue loans aggregating Rs. 4.43 Crores as at March 31, 2017 (Rs. 5.88 Crores at March 31, 2016) and interest receivable thereon aggregating Rs. 2.23 Crores as at March 31, 2017 (Rs. 2.92 Crores at March 31, 2016) that are due from investment companies whose net worth have eroded. The Management's assessment on the recoverability from the financial assets of these companies is subject to uncertainties and which, if do not materialise, could significantly impact the carrying values of the aforesaid loans and interest thereon. The group's share for the above loans and interest receivable is Rs. 2.40 Crores as at March 31, 2017 (Rs. 3.18 Crores at March 31, 2016).

Our report is not modified in respect of these matters.

6. We did not audit the financial statements eight subsidiaries and one jointly controlled entity included in Statement, whose financial statements reflects total assets of Rs. 242.64 Crores as at March 31, 2017, total revenues of Rs. 197.75 Crores and total loss after tax of



Rs. 14.66 Crores for the for the year ended on that date, as considered in the Statement. The Statement also include Group's share of net loss of Rs. 0.56 Crores for the year ended March 31, 2017, as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

7. The Statement also includes Group's share of net loss of Rs. 0.23 Crores for the year ended March 31, 2017, as considered in the Statement, in respect of two associates, whose financial statements have not been audited by us. These financial statements are not audited by their auditors and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. According to the information and explanations given to us by the Management, these financial statements are not material to the Group including its associates and jointly controlled entity.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



**Sumant Sakhardande**

**Partner**

Membership No.: 034828

Place: Mumbai

Date: May 24, 2017



## AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

|                                                                                                    | Rupees in Crores                   |                                    |
|----------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
|                                                                                                    | Year ended<br>31-Mar-17<br>Audited | Year ended<br>31-Mar-16<br>Audited |
| <b>I INCOME FROM OPERATIONS</b>                                                                    |                                    |                                    |
| a) <b>Gross Sales</b>                                                                              | <b>3,197.94</b>                    | <b>3,280.27</b>                    |
| Less : Excise Duty Recovered                                                                       | 345.40                             | 355.47                             |
| <b>Net Sales</b>                                                                                   | <b>2,852.54</b>                    | <b>2,924.80</b>                    |
| b) <b>Other Operating Revenue</b>                                                                  | <b>20.72</b>                       | <b>27.73</b>                       |
| <b>Total Revenue from Operations</b>                                                               | <b>2,873.26</b>                    | <b>2,952.53</b>                    |
| <b>II Other Income</b>                                                                             | <b>29.16</b>                       | <b>25.12</b>                       |
| <b>III Total Revenue I+II</b>                                                                      | <b>2,902.42</b>                    | <b>2,977.65</b>                    |
| <b>IV EXPENSES</b>                                                                                 |                                    |                                    |
| a) Cost of Raw Materials Consumed                                                                  | 1,281.29                           | 1,369.80                           |
| b) Purchases of Stock-in-Trade                                                                     | (10.41)                            | 4.86                               |
| c) Changes in inventories of finished goods and work-in-progress                                   | (79.06)                            | (65.04)                            |
| d) Employee benefits expense                                                                       | 173.36                             | 172.91                             |
| e) Finance Costs (net)                                                                             | 295.47                             | 292.72                             |
| f) Depreciation and Amortization expense                                                           | 73.80                              | 77.02                              |
| g) Other Expenditure                                                                               | 1,144.44                           | 1,112.97                           |
| h) Expenditure transferred to Capital Accounts / Capital Work in Progress                          | (2.72)                             | (2.35)                             |
| <b>Total Expenses</b>                                                                              | <b>2,876.17</b>                    | <b>2,962.89</b>                    |
| <b>V Profit before Exceptional Items (III - IV)</b>                                                | <b>26.25</b>                       | <b>14.76</b>                       |
| VI Exceptional Items (net)                                                                         | -                                  | (12.86)                            |
| <b>VII Profit before Tax</b>                                                                       | <b>26.25</b>                       | <b>1.90</b>                        |
| VIII Tax Expense                                                                                   |                                    |                                    |
| Current Tax                                                                                        | (0.13)                             | -                                  |
| Deferred Tax (Charge) / Credit                                                                     | (2.56)                             | (2.81)                             |
| Excess / (Short) provision for tax in respect of earlier years                                     | 0.03                               | (2.51)                             |
| <b>IX Profit / (Loss) for the period before tax adjustments pertaining to earlier years</b>        | <b>23.59</b>                       | <b>(3.42)</b>                      |
| X Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years |                                    |                                    |
| MAT Entitlement Lapsing                                                                            | (15.53)                            | -                                  |
| Deferred Tax Charge due to lapsing of business loss                                                | (33.68)                            | -                                  |
| <b>XI (Loss) for the period</b>                                                                    | <b>(25.62)</b>                     | <b>(3.42)</b>                      |
| XII Share of Profit / (Loss) in Associates (net)                                                   | (0.79)                             | (2.43)                             |
| XIII Minority Interest                                                                             | (3.50)                             | (1.67)                             |
| <b>XIV (Loss) for the period</b>                                                                   | <b>(29.91)</b>                     | <b>(7.52)</b>                      |
| XV Basic and Diluted EPS - (in Rs.)                                                                |                                    |                                    |
| - Including exceptional items - (in Rs.)                                                           | (2.12)                             | (0.53)                             |
| - Excluding exceptional items- (in Rs.)                                                            | (2.12)                             | 0.38                               |

MUKAND LTD. (CONSOLIDATED)

| STATEMENT OF ASSETS AND LIABILITIES AS ON |                                                                                                                                                  | 31-Mar-17                | 31-Mar-16                |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                                           |                                                                                                                                                  | Audited                  | Audited                  |
|                                           |                                                                                                                                                  | Rupees in Crores         |                          |
| <b>A</b>                                  | <b>EQUITY AND LIABILITIES</b>                                                                                                                    |                          |                          |
| <b>1</b>                                  | <b>Shareholders' funds</b>                                                                                                                       |                          |                          |
| (a)                                       | Share Capital                                                                                                                                    | 147.05                   | 147.05                   |
| (b)                                       | Reserves and Surplus (*)                                                                                                                         | 32.22                    | 1,714.25                 |
|                                           | <b>Sub-Total - Shareholders' Funds</b>                                                                                                           | <b>179.27</b>            | <b>1,861.30</b>          |
| <b>2</b>                                  | <b>Minority Interest</b>                                                                                                                         | <b>115.20</b>            | <b>111.70</b>            |
| <b>3</b>                                  | <b>Non-Current Liabilities</b>                                                                                                                   |                          |                          |
| (a)                                       | Long Term Borrowings                                                                                                                             | 1,708.21                 | 1,636.54                 |
| (b)                                       | Deferred Tax Liabilities (net)                                                                                                                   | 7.57                     | 4.04                     |
| (c)                                       | Other Long Term Liabilities                                                                                                                      | 6.26                     | 4.00                     |
| (d)                                       | Long Term Provisions                                                                                                                             | 40.10                    | 43.91                    |
|                                           | <b>Sub-Total - Non-Current Liabilities</b>                                                                                                       | <b>1,762.14</b>          | <b>1,688.49</b>          |
| <b>4</b>                                  | <b>Current Liabilities</b>                                                                                                                       |                          |                          |
| (a)                                       | Short Term Borrowings                                                                                                                            | 1,007.39                 | 939.88                   |
| (b)                                       | Trade Payables : due to<br>Micro Enterprises and Small Enterprises<br>Other than Micro Enterprises and Small Enterprises<br>Total Trade Payables | 0.70<br>838.07<br>838.77 | 1.95<br>852.12<br>854.07 |
| (c)                                       | Other Current Liabilities                                                                                                                        | 690.18                   | 635.67                   |
| (d)                                       | Short Term Provisions                                                                                                                            | 8.30                     | 6.02                     |
|                                           | <b>Sub-Total - Current Liabilities</b>                                                                                                           | <b>2,544.64</b>          | <b>2,435.64</b>          |
|                                           | <b>TOTAL - EQUITY AND LIABILITIES</b>                                                                                                            | <b>4,601.25</b>          | <b>6,097.13</b>          |
| <b>B</b>                                  | <b>ASSETS</b>                                                                                                                                    |                          |                          |
| <b>1</b>                                  | <b>Non-Current Assets</b>                                                                                                                        |                          |                          |
| (a)                                       | Fixed Assets                                                                                                                                     |                          |                          |
|                                           | Tangible Assets                                                                                                                                  | 733.74                   | 2,427.85                 |
|                                           | Intangible Assets                                                                                                                                | 1.02                     | 1.00                     |
|                                           | Capital Work-in-Progress                                                                                                                         | 33.33                    | 30.88                    |
|                                           |                                                                                                                                                  | 768.09                   | 2,459.73                 |
| (b)                                       | Non-Current Investments                                                                                                                          | 33.49                    | 35.87                    |
| (c)                                       | Deferred Tax Assets (net)                                                                                                                        | 12.11                    | 44.81                    |
| (d)                                       | Long Term Loans and Advances                                                                                                                     | 135.24                   | 132.46                   |
| (e)                                       | Other Non-Current Assets                                                                                                                         | 37.62                    | 50.64                    |
|                                           | <b>Sub-Total - Non-Current Assets</b>                                                                                                            | <b>986.55</b>            | <b>2,723.51</b>          |
| <b>2</b>                                  | <b>Current Assets</b>                                                                                                                            |                          |                          |
| (a)                                       | Inventories                                                                                                                                      | 1,658.72                 | 1,496.57                 |
| (b)                                       | Trade Receivables                                                                                                                                | 1,097.24                 | 1,163.73                 |
| (c)                                       | Cash and Bank Balances                                                                                                                           | 93.63                    | 95.57                    |
| (d)                                       | Short Term Loans and Advances                                                                                                                    | 405.85                   | 391.93                   |
| (e)                                       | Other Current Assets                                                                                                                             | 359.26                   | 225.82                   |
|                                           | <b>Sub-Total - Current Assets</b>                                                                                                                | <b>3,614.70</b>          | <b>3,373.62</b>          |
|                                           | <b>TOTAL - ASSETS</b>                                                                                                                            | <b>4,601.25</b>          | <b>6,097.13</b>          |

(\*) Includes Revaluation Reserve as at 31st March, 2016



92

## **NOTES**

1) Management's response to the observations of the auditors on the consolidated financial statements for the year ended 31.03.2017:

a) The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs.82.01 Crore as at 31<sup>st</sup> March 2017 as against Rs.78.28 Crore as at 31<sup>st</sup> March 2016. The management, considering its long term view on the 'Exposures', relies upon the valuation of unencumbered fixed assets of BFL and value of current assets. It further relies upon future earnings from the ongoing business of BFL. The management considers the balance '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 31<sup>st</sup> March, 2017 aggregated Rs.113.54 Crore as compared to Rs.120.00 Crore as at 31<sup>st</sup> March 2016. The outcome of the Road Construction activity cannot be estimated with certainty at present. The amount of total claims excluding interest with NHAI now aggregates Rs.288.42 Crore (as at 31.03.2016: Rs.298.93 Crore). Bulk of these claims are now being processed at various appellate fora. It is the opinion of the management that in view of the substantially large claims to be settled progressively over a period of next 2 to 3 years, losses currently expected are already recognized till the close of the year.

During the year an amount of Rs.23.20 Crore (including interest) was realized towards various claims.

c) As regards Joint Venture entity's ability to continue its business on account of de-allocation of coal block allocated to the joint venture entity, management is exploring various options.

d) As regards the realisability of the exposures aggregating Rs.8.58 Crore (previous year Rs.8.58 Crore) in an investment company by a wholly owned subsidiary, management places reliance upon the amount realizable from the financial assets of this Company.



- e) As regards the realisability of the exposures aggregating Rs.6.66 Crore (previous year Rs.8.80 Crore ) in certain investment companies by an associate Company. The Group share for the aforesaid exposure is Rs.2.40 Crore (previous year Rs.3.18 Crore) management places reliance upon the amount realizable from the financial assets of these Companies.
- 2) The Board of Directors of the company on 12th January 2017, has considered and approved, a scheme of arrangement and amalgamation amongst the Company, Mukand Vijayanagar Steel Limited (MVSL) and Mukand Alloy Steels Private Limited (MASPL) and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of its Alloy Steel Rolling & Finishing business. The Appointed Date under the Scheme is 1st January 2017. BSE and NSE have in principle cleared the Scheme and their observations have been included in the Scheme filed with National Company Law Tribunal (NCLT). The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities.
- 3)
- a) The Board of Directors of Company at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company, Whiteleaf Heavy Machinery Pvt Ltd. and Technosys Industrial Machinery Pvt Ltd and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for transfer of Industrial Machinery business . The Appointed Date under the Scheme is 1st January 2017. The Scheme is subject to the approval of the shareholders, creditors and other competent statutory/regulatory authorities. An application in this regard will be filed with the National Company Law Tribunal in due course of time.
- b) Consolidated financial Statement include: (i) the audited results of the eight wholly owned subsidiaries, Mukand Global Finance Limited, Vidyavihar Containers Limited, Mukand International FZE, Mukand International Limited, Mukand Vijayanagar Steel Ltd., Mukand Alloy Steels Private Ltd, Whiteleaf Heavy Machinery Pvt Ltd. and Technosys Industrial Machinery Pvt Ltd (ii) the audited results of the subsidiary, Mukand Sumi Metal Processing Ltd (iii) the pro-rata share in the audited results of associate companies, Mukand Engineers Ltd., and Hospet Steels Ltd., and Joint Venture, Mukand Vini Mineral Ltd., (iv) the pro-rata share in the unaudited results of associated companies, Bombay Forgings Ltd., and Stainless India Ltd.



Mukand Ltd

However, as the Company is currently in the process of finalizing detailed formal plans it does not necessitate the requirements of disclosures of AS 24 – Discontinuing Operations.

- 4) The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.
- 5) Figures in respect of previous year / quarter have been regrouped / recast wherever necessary.
- 6) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 24th May, 2017.

**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: 24<sup>th</sup> May 2017.

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**Auditor's Report on Annual Standalone Financial Results of the Company Pursuant to  
Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

To

The Board of Directors

**Mukand Limited**

1. We have audited the accompanying Statement of Annual Standalone Financial Results of **Mukand Limited** ('the Company') for the year ended March 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual financial statements. Our responsibility is to express an opinion on this Statement, based on our audit of such annual financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Account) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.
3. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.



4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) gives a true and fair view of the loss and other financial information of the Company for the year ended March 31, 2017.

5. We draw attention to the following:

- a) Note 1 (a) to the Statement, relating to the exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 47.13 Crores (net) as at March 31, 2017 (Rs. 47.13 Crores (net) as at March 31, 2016), where the management has, barring any significant uncertainties in future, relied upon the future realizable values of financial assets of VCL to recover its exposures.
- b) Note 1 (b) to the Statement, relating to the exposures in Bombay Forgings Limited (BFL) aggregating Rs. 82.01 Crores as at March 31, 2017 (Rs. 78.28 crores as at March 31, 2016), where the management has, barring any significant uncertainties in future, relied upon the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.
- c) Note 1 (c) to the Statement, relating to the exposures aggregating Rs. 113.54 Crores as at March 31, 2017 (Rs. 120.00 crores as at March 31, 2016), in respect of road construction activity and our reliance on the management's expectation of its realisability.

Our report is not modified in respect of these matters.



6. The Statement includes the results for the Quarter ended March 31, 2017, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Sumant Sakhardande

Partner

Membership No.: 034828



Place: Mumbai

Date: May 24, 2017