

Mukand Ltd.

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CIN : L99999MH1937PLC002726

SEC/STOCK EXCHANGE/BM-477

February 14, 2018

1. Department of Corporate Services BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 021. 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 Third quarter / Nine months ended December 31, 2017.

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 third quarter / nine months ended December 31, 2017, have been considered and approved at the meeting of the Board of Directors of the Company held today.

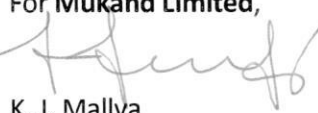
In this regard, we enclose the copy of Un-audited Financial Results in the prescribed format together with copy of Limited Review Report of the Statutory Auditors of the Company, M/s. Haribhakti & Co., LLP, Chartered Accountants, for your information and records.

The above meeting commenced at 4.15 p.m. and concluded at 5.10 p.m.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For **Mukand Limited,**


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

Encl : As above



MUKAND LIMITED

Regd. Office : Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

Rs. Crores

	Particulars	Quarter ended			Nine months ended	
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I	Revenue from Operations	789.86	738.00	717.69	2,286.27	2,205.25
II	Interest Income	2.92	5.51	37.75	15.28	118.03
III	Other Income	0.29	1.93	12.56	2.51	14.36
IV	Total Revenue I+II+III	793.07	745.44	768.00	2,304.06	2,337.64
V	EXPENSES					
a)	Cost of materials consumed	489.50	390.36	311.19	1,327.08	861.05
b)	Purchase of Stock in Trade					
c)	Changes in inventories of finished goods and work-in-progress	(63.21)	13.74	(84.35)	(122.37)	(151.94)
d)	Excise Duty			76.01	33.11	246.18
e)	Employee benefits expense	47.01	43.19	43.19	134.49	127.91
f)	Finance Costs	67.29	65.62	106.57	197.89	318.83
g)	Depreciation and Amortisation expenses	13.72	13.64	18.02	40.82	53.00
h)	Other Expenditure	279.03	248.86	165.17	792.46	810.96
i)	Expenditure transferred to Capital Account / Capital Work-in-Progress	(0.16)	(1.52)	0.01	(5.98)	(1.90)
	Total Expenses	833.18	773.89	635.81	2,397.50	2,264.09
VI	Profit / (Loss) before Exceptional items & tax (IV-V)	(40.11)	(28.45)	132.19	(93.44)	73.55
VII	Exceptional Income / (Expenses)	(9.05)	--	--	(9.05)	--
VIII	Profit / (Loss) before tax (VI-VII)	(49.16)	(28.45)	132.19	(102.49)	73.55
IX	Tax Expense					
	Current Tax	0.02	--	--	0.02	--
	Deferred Tax (Charge) / Credit & reversal of MAT Entitlement Credit	15.03	8.60	(44.24)	30.89	(28.76)
	Total Tax	15.05	8.60	(44.24)	30.91	(28.76)
X	Profit/(Loss) for the period (VIII - IX)	(34.11)	(19.85)	87.95	(71.58)	44.79
XI	Other Comprehensive Income					
a)	Items that will not be reclassified to Profit or loss-Actuarial Gain on Employee defined benefit funds	0.10	0.10	0.21	0.30	0.63
b)	Less : Deferred tax on above	(0.03)	(0.03)	(0.07)	(0.09)	(0.20)
	Net	0.07	0.07	0.14	0.21	0.43
XII	Total Comprehensive Income (X-XI)	(34.04)	(19.78)	88.09	(71.37)	45.22
XIII	Earnings per Equity Share (EPS) - Face Value Rs 10/- each					
	Basic and Diluted EPS (in Rs.)	(2.41)	(1.40)	6.22	(5.06)	3.17



MUKAND LIMITED

Rs. Crores

		Quarter ended			Nine months ended	
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	SEGMENT REVENUE					
1)	Specialty Steel	774.17	725.52	690.23	2,233.86	2,116.70
2)	Industrial Machinery & Engineering Contracts	15.89	14.11	27.19	59.20	90.21
	Sub-total	790.06	739.63	717.42	2,293.06	2,206.91
	Less : Inter Segment Revenue	(0.20)	(1.63)	0.27	(6.79)	(1.66)
	Total Segment Revenue	789.86	738.00	717.69	2,286.27	2,205.25
	SEGMENT RESULT					
1)	Specialty Steel	36.64	43.16	196.77	118.70	281.95
2)	Industrial Machinery & Engineering Contracts	(9.62)	(7.13)	(5.63)	(18.32)	(11.99)
	Less : Inter segment margin	(0.01)	(0.26)	0.06	(1.08)	(0.24)
	Total Segment Result	27.01	35.77	191.20	99.30	269.72
	Add / (Less) :					
	Other net un-allocable :					
	Interest Income	2.92	5.51	37.75	15.28	118.03
	Income	0.29	1.93	12.56	2.51	14.36
	Expenditure	(12.09)	(6.04)	(2.75)	(21.69)	(9.73)
	Other net un-allocable (expenditure) / income	(8.88)	1.40	47.56	(3.90)	122.66
	Profit /(Loss) before Finance costs	18.13	37.17	238.76	95.40	392.38
	Less : Finance costs	67.29	65.62	106.57	197.89	318.83
	Profit / (Loss) before tax	(49.16)	(28.45)	132.19	(102.49)	73.55
	SEGMENT ASSETS / LIABILITIES	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
A	Segment Assets					
1)	Specialty Steel	2,049.62	2,042.11	3,506.71	2,049.62	3,506.71
2)	Industrial Machinery & Engineering Contracts	343.53	334.77	371.71	343.53	371.71
3)	Corporate - Unallocable	888.16	851.33	594.31	888.16	594.31
		3,281.31	3,228.21	4,472.73	3,281.31	4,472.73
B	Segment Liabilities					
1)	Specialty Steel	1,051.33	1,019.19	1,103.42	1,051.33	1,103.42
2)	Industrial Machinery & Engineering Contracts	59.81	55.40	62.56	59.81	62.56
3)	Corporate - Unallocable	1,896.34	1,851.50	2,892.29	1,896.34	2,892.29
		3,007.48	2,926.09	4,058.27	3,007.48	4,058.27
	Total Net Capital Employed	273.83	302.12	414.46	273.83	414.46



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 February 2018. Statutory Auditors of the Company have conducted Limited Review of these Financial Results.
2. The Company adopted Indian Accounting Standards (Ind AS) from 1st April 2017. The figures of previous year's quarter and nine months ended 31st December 2016 are also Ind AS compliant. There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind-AS 101.
3. Post introduction of Goods and Services Tax (GST) with effect from 1st July 2017, revenue from operations is disclosed net of GST. Accordingly, the figures of revenue from operations and expenses for the quarter / nine months ended 31st December 2017 are not comparable with the figures of previous periods presented in the results above.
4. 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), a subsidiary company, aggregating Rs. 47.13 Crore (Net) as at 31st December 2017 was same at Rs.47.13 Crore (Net) as at 31st March 2017. The Company, barring unforeseen circumstances, and considering the estimation of future realizable values of the financial assets of VCL considers the balance 'Exposures' to be 'Good' at the close of the period and adequately covered.
 - b. The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs. 84.60 Crore (Gross) as at 31st December 2017 as against Rs.82.01 Crore (Gross) as at 31st March 2017 due to higher sales to BFL during the period. The management, considering its long term view on the 'Exposures', the valuation of unencumbered fixed assets of BFL, value of current assets and future earnings from the ongoing business of BFL considers the balance 'Exposures' to be 'Good' and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.



- c. The Company in previous years executed road construction projects in the state of Uttar Pradesh with National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. The exposure on this account as at 31st December 2017 aggregated Rs.113.25 Crore as compared to Rs.113.54 Crore as at 31st March 2017. The outcome of the Road Construction activity cannot be estimated with certainty at present. The amount of total claims excluding interest with NHAI now aggregates Rs.288.42 Crore (as at 31.03.2017: Rs.288.42 Crore). Considering the bulk of these claims are now being processed at various appellate fora and all the losses expected are already recognized till the close of the period, in the opinion of the management, all the claims are fully realizable as also opined by a legal Consultant. These claims are likely to be realized progressively over a period of next 2 to 3 years.

5. Net profit reconciliation as required by Para 32 of Ind-AS 101 is as under:

Sl. No.	Particulars	Rs. In Crore	
		Quarter ended on 31 st December, 2016	Nine months ended on 31 st December, 2016
1	Net Profit for under previous Indian GAAP	2.15	18.46
2	Ind-As adjustments: Add/ (Less)		
a)	Actuarial gain/ (loss) on employee defined benefit funds recognized in other comprehensive income, net of tax	(0.14)	(0.43)
b)	Effect of measurement of the financial assets and financial liabilities in accordance with Ind AS 109, net of tax	84.84	22.17
c)	Capitalisation of Stores and Spares and related depreciation.	1.10	4.59
3	Net profit under Ind-AS	87.95	44.79
4	Other comprehensive income, net of tax	0.14	0.43
5	Total comprehensive income for the period as per Ind AS	88.09	45.22



6. a) The Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated December 13, 2017 has approved the scheme of arrangement and amalgamation for transfer of Alloy Steel Rolling and Finishing Business (ASRFB) Undertaking of the Company to Mukand Vijayanagar Steel Limited (MVSL) [wholly owned subsidiary of the Company] through Slump Sale and subsequent amalgamation of MVSL with Mukand Alloy Steels Private Limited (MASPL) [wholly owned subsidiary of the Company] with effect from January 01, 2017 (the appointed date). The Scheme became effective from January 15, 2018 upon filing of the certified true copy of Order with the Registrar of Companies, Maharashtra. Pursuant to the Scheme, all the assets and liabilities stand transferred to MVSL on the appointed date and consequently on amalgamation of MVSL with MASPL all the income and expenses of the said undertaking stand transferred to MASPL. The Company has given effect to the Scheme in the accounts with effect from January 01, 2017, being the appointed date.

Further, results of the Company for the quarters ended June 30, 2017 and September 30, 2017 and related earnings per share have been restated to give effect of the Scheme. As a consequence, Profit/ (Loss) after tax for the quarter ended June 30, 2017 and quarter and six months period ended September 30, 2017 is higher by Rs. (4.61) Crores, Rs. (1.36) Crores & Rs. (5.97) Crores respectively.

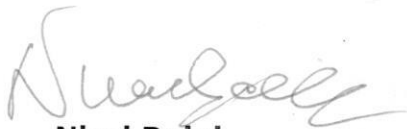
Consequently, figures of current periods are not comparable with those of corresponding periods in the previous year.

- b) Exceptional items of expenditure shown in above results represent expenditure incurred in connection with transfer of ASRFB.



- c) For transfer of Industrial Machinery Business, the Board of Directors of Company at its meeting held on 27th March, 2017, considered and approved a scheme of arrangement and amalgamation amongst the Company and its wholly owned subsidiaries, Whiteleaf Heavy Machinery Pvt. Ltd., now known as Mukand Audyogik Yantra Pvt. Ltd. and Technosys Industrial Machinery Pvt. Ltd., now known as Mukand Heavy Machinery Pvt. Ltd. and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Appointed Date under the Scheme was 1st January 2017. On review of current external business environment, management has decided not to proceed with the implementation of the Scheme at this stage.
7. 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 February 2018.

SVR



Limited Review Report on the Unaudited Financial Results for the quarter ended December 31, 2017 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 December 31, 2017 ("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 4(a) to the Statement, relating to the exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 47.13 crores (Net) as at December 31, 2017 (Rs. 47.13 crores (Net) as at March 31, 2017), where the management has, barring any significant uncertainties in future, considered the future realizable values of financial assets of VCL to recover its exposures.
- b. Note 4(b) to the Statement, relating to the exposures in Bombay Forgings Limited (BFL) aggregating Rs. 84.60 crores (Gross) as at December 31, 2017 (Rs. 82.01 crores (Gross) as at March 31, 2017), where the management has, barring any significant uncertainties in future, considered the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.
- c. Note 4(c) to the Statement, relating to the exposures aggregating Rs. 113.25 crores as at December 31, 2017 (Rs. 113.54 crores as at March 31, 2017), in respect of road construction activity, the claims for which are being processed at various appellate fora and our reliance on the management's expectation backed by the legal opinion, of its realisibility of balances over a period of next 2 to 3 years.

Our report is not modified in respect of these matters.

5. The previously issued financial information of the Company for the quarter and nine months ended December 31, 2016 prepared in accordance with the Companies (Accounting Standard) Rules, 2006 have been restated to comply with the Indian Accounting Standard ("Ind AS") and included in the statement as comparative financial information. Adjustments made to the previously issued financial information prepared in accordance with the Companies (Accounting Standard) Rules, 2006 to comply with the Ind AS have been reviewed by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No.: 034828

Place: Mumbai

Date: February 14, 2018

