

Mukand Ltd.

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CIN : L99999MH1937PLC002726

SEC/STOCK EXCHANGE/BM-476

November 16, 2017

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 Second quarter / Six months ended September 30, 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 second quarter / six months ended September 30, 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 11.45 a.m. and concluded at 12.40 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

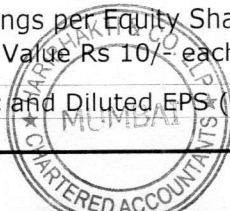
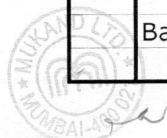
MUKAND LIMITED

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2017

Rs. Crores

	Particulars	Quarter ended			Six months ended	
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I	Revenue from Operations	800.13	860.88	730.92	1,661.01	1,487.56
II	Interest Income	43.23	43.31	40.21	86.54	80.28
III	Other Income	1.93	0.29	0.49	2.22	1.80
IV	Total Revenue I+II+III	845.29	904.48	771.62	1,749.77	1,569.64
V	EXPENSES					
a)	Cost of materials consumed	384.25	441.09	285.89	825.34	549.86
b)	Purchase of Stock in Trade					
c)	Changes in inventories of finished goods and work-in-progress	52.59	(57.52)	(53.92)	(4.93)	(67.59)
d)	Excise Duty		88.45	86.17	88.45	170.17
e)	Employee benefits expense	43.95	45.05	41.26	89.00	84.72
f)	Finance Costs	111.61	110.44	106.93	222.05	212.26
g)	Depreciation and Amortisation expenses	17.00	16.73	17.73	33.73	34.98
h)	Other Expenditure	262.15	281.42	310.82	543.57	645.79
i)	Expenditure transferred to Capital Account / Capital Work-in-Progress	(1.52)	(4.30)	(0.63)	(5.82)	(1.91)
	Total Expenses	870.03	921.36	794.25	1,791.39	1,628.28
VI	Profit / (Loss) before tax (IV - V)	(24.74)	(16.88)	(22.63)	(41.62)	(58.64)
VII	Tax Expense <i>Deferred Tax (Charge) / Credit & reversal of MAT Entitlement Credit</i>	6.25	3.87	2.40	10.12	15.48
VIII	Profit/(Loss) for the period (VI-VII)	(18.49)	(13.01)	(20.23)	(31.50)	(43.16)
IX	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	0.20	0.42
b)	Less : Deferred tax on above	(0.03)	(0.03)	(0.06)	(0.06)	(0.13)
	Net	0.07	0.07	0.15	0.14	0.29
X	Total Comprehensive Income (VIII+IX)	(18.42)	(12.94)	(20.08)	(31.36)	(42.87)
XI	Earnings per Equity Share (EPS) - Face Value Rs 10/- each					
	Basic and Diluted EPS (in Rs.)	(1.31)	(0.92)	(1.43)	(2.23)	(3.05)



MUKAND LIMITED

Rs. Crores

		Quarter ended			Six months ended	
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	SEGMENT REVENUE					
1)	Specialty Steel	787.66	836.63	715.19	1,624.30	1,426.46
2)	Industrial Machinery & Engineering Contracts	14.11	29.20	16.32	43.31	63.02
	Sub-total	801.77	865.83	731.51	1,667.61	1,489.48
	Less : Inter Segment Revenue	(1.64)	(4.95)	(0.59)	(6.60)	(1.92)
	Total Segment Revenue	800.13	860.88	730.92	1,661.01	1,487.56
	SEGMENT RESULT					
1)	Specialty Steel	55.13	55.90	53.26	111.03	85.17
2)	Industrial Machinery & Engineering Contracts	(7.13)	(1.57)	(5.71)	(8.70)	(6.36)
	Less : Inter segment margin	(0.26)	(0.81)	(0.09)	(1.07)	(0.30)
	Total Segment Result	47.74	53.52	47.46	101.26	78.51
	Add / (Less) :					
	Other net un-allocable :					
	Interest Income	43.23	43.31	40.21	86.54	80.28
	Income	1.93	0.29	0.50	2.22	1.81
	Expenditure	(6.03)	(3.56)	(3.87)	(9.59)	(6.98)
	Other net un-allocable (expenditure) / income	39.13	40.04	36.84	79.17	75.11
	Profit /(Loss) before Finance costs	86.87	93.56	84.30	180.43	153.62
	Less : Finance costs	111.61	110.44	106.93	222.05	212.26
	Profit / (Loss) before tax	(24.74)	(16.88)	(22.63)	(41.62)	(58.64)
	SEGMENT ASSETS / LIABILITIES	30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16
A	Segment Assets					
1)	Specialty Steel	3,572.10	3,532.56	3,226.04	3,572.10	3,226.04
2)	Industrial Machinery & Engineering Contracts	383.65	397.21	426.53	383.65	426.53
3)	Corporate - Unallocable	602.28	552.96	614.62	602.28	614.62
		4,558.03	4,482.73	4,267.19	4,558.03	4,267.19
B	Segment Liabilities					
1)	Specialty Steel	1,051.73	991.00	982.76	1,051.73	982.76
2)	Industrial Machinery & Engineering Contracts	55.40	57.35	66.62	55.40	66.62
3)	Corporate - Unallocable	3,098.50	3,061.15	2,859.31	3,098.50	2,859.31
		4,205.63	4,109.50	3,908.69	4,205.63	3,908.69
	Total Net Capital Employed	352.40	373.23	358.50	352.40	358.50



MUKAND LIMITED

Statement of Assets and Liabilities as on		30-Sep-17
		Rs crores
I	Assets	
(A)	Non Current Assets	
(1)	Property Plant & Equipment	549.01
	Capital Work in Progress	47.58
	Other Intangible assets	0.14
		596.73
(2)	Financial Assets	
a)	Investments	250.21
b)	Others	27.90
		278.11
(3)	Deferred tax Assets (net)	40.64
(4)	Income Tax Assets (net)	88.44
(5)	Other non-current assets	78.33
		207.41
	Total (A)	1,082.25
(B)	Current Assets	
(1)	Inventories	1,157.18
(2)	Financial Assets	
a)	Trade Receivables	282.31
b)	Cash and Cash Equivalents	10.39
	Other Bank Balances	44.95
		55.34
c)	Loans	62.78
d)	Others	290.68
(3)	Other current assets	111.16
	Total (B)	1,959.45
C	Assets to be transferred under the Scheme [Refer Note 6(a)]	1,516.33
	TOTAL ASSETS	4,558.03



MUKAND LIMITED

Statement of Assets and Liabilities as on		30-Sep-17 Rs crores
II.	EQUITY AND LIABILITIES	
A	Equity	
a)	Equity Share Capital	141.42
b)	Other Equity	210.98
	Total (A)	352.40
B	Liabilities	
(B.1)	Non Current Liabilities	
(1)	Financial Liabilities	
a)	Borrowings	527.44
b)	Other long term liabilities	4.00
c)	Provisions	37.16
	Total (B.1)	568.60
(B.2)	Current Liabilities	
(1)	Financial Liabilities	
a)	Borrowings	847.89
b)	Trade Payables	988.12
c)	Others	367.25
		2,203.26
(2)	Other Current Liabilities	37.06
(3)	Provisions	6.59
		43.65
	Total (B.2)	2,246.91
C	Liabilities to be transferred under the Scheme [Refer Note 6(a)]	1,390.12
	TOTAL EQUITY AND LIABILITIES	4,558.03



9/12

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 16th November 2017.
2. The Company adopted Indian Accounting Standards (Ind AS) from 1st April 2017. The figures of previous year's quarter and half year ended 30th September 2016 are also Ind AS compliant. They have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provided a true and fair view of the Company's affairs. 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. Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard- 18 on Revenue and Schedule III to the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the period up to 30th June 2017 are not strictly comparable to those thereafter.
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 30th September 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. 84.52 Crore (Gross) as at 30th September 2017 as against Rs.82.01 Crore (Gross) as at 31st March 2017 due to higher sales to BFL in this quarter. 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 30th September 2017 aggregated Rs.113.22 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:

Rs. In Crore			
Sl. No.	Particulars	Quarter ended on 30 th September 2016	Six months ended on 30 th September 2016
1	Net Profit for under previous Indian GAAP	6.05	16.31
2	Ind-As adjustments: Add/ (Less)		
a)	Actuarial (gain)/ loss on employee defined benefit funds recognized in other comprehensive income, net of tax	(0.15)	(0.29)
b)	Effect of measurement of the financial assets and financial liabilities in accordance with Ind AS 109, net of tax	(27.64)	(62.66)
c)	Capitalisation of Stores and Spares and related depreciation.	1.51	3.48
3	Net profit under Ind-AS	(20.23)	(43.16)
4	Other comprehensive income, net of tax	0.15	0.29
5	Total comprehensive income for the period as per Ind AS	(20.08)	(42.87)

6. 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, and its wholly owned subsidiaries, 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 (Business). The Appointed Date under the Scheme is 1st January 2017. Observation of BSE and NSE have been included in the Scheme filed with National Company Law Tribunal (NCLT). The Scheme is approved by shareholders and unsecured creditors on 16th August 2017. All Secured creditors have also given their consent and the Scheme is now subject to the approval of other competent statutory/ regulatory authorities. The effect of the Scheme in the accounts would be given during the period in which the Scheme is finally consummated. In the meanwhile and in compliance of Ind AS 105 for presentation and disclosure requirements, the identified assets comprising fixed assets and other current and non-current assets and relevant liabilities of the Business are disclosed separately in the Statement of assets and liabilities.

- 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 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 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 and hence the requisite presentation and disclosures under Ind AS-105, in the opinion of the management is considered not necessary.

7. Figures in respect of the quarter of 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: 16th November 2017.

Limited Review Report on the Unaudited Financial Results for the quarter ended September 30, 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 September 30, 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 September 30, 2017 (Rs. 47.13 crores (net) as at March 31, 2017), where the management has, barring any significant uncertainties in future, has 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. 84.52 crores (Gross) as at September 30, 2017 (Rs. 82.01 crores (Gross) as at March 31, 2017), where the management has, barring any significant uncertainties in future, has 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. 113.22 crores as at September 30, 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. As stated in Note 2 to the Statement, figures pertaining to the quarter and half year ended September 30, 2016, have not been subjected to limited review.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande
Partner
Membership No.: 034828

Place: Mumbai

Date: November 16, 2017