

Mukand Ltd.

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CIN · L99999MH1937PLC002726

SEC/STOCK EXCHANGE/BM-471

February 13, 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 / Nine months ended December 31, 2016.

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, 2016, 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 12.45 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 UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS AND QUARTER ENDED DECEMBER 31,2016

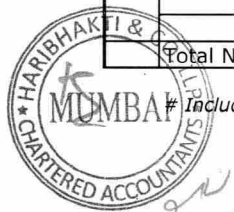
Rs. Crores

	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(1)	INCOME FROM OPERATIONS						
a)	Gross Sales	724.33	761.37	740.94	2,243.08	2,284.29	3,040.57
	Less : Excise Duty Recovered	76.01	86.17	82.50	246.18	252.50	337.05
	Net Sales	648.32	675.20	658.44	1,996.90	2,031.79	2,703.52
b)	Other Operating Income	3.71	4.18	4.17	12.09	20.09	27.47
	Total Income from Operations	652.03	679.38	662.61	2,008.99	2,051.88	2,730.99
(2)	EXPENSES						
a)	Cost of materials consumed	311.19	285.89	307.55	861.05	953.22	1,203.92
b)	Purchase of Stock in Trade			0.23		0.70	0.88
c)	Changes in inventories of finished goods and work-in-progress	(74.99)	(20.30)	(46.06)	(105.02)	(58.64)	(71.08)
d)	Stores, Spares, Components, Tools, etc. consumed	107.33	102.31	112.52	329.76	309.09	445.54
e)	Power & Fuel	46.88	47.65	54.41	141.42	148.47	197.32
f)	Employee benefits expense	42.97	41.06	42.97	127.27	125.10	171.26
g)	Depreciation and Amortisation expenses	17.87	17.63	19.03	52.74	55.40	73.99
h)	Other Expenditure	135.17	121.95	108.75	375.25	329.99	449.68
	Total Expenses	586.42	596.19	599.40	1,782.47	1,863.33	2,471.51
(3)	Profit from Operations before Other Income, Finance Costs, & Net Exceptional income/ (Expenditure)	65.61	83.19	63.21	226.52	188.55	259.48
(4)	Other Income	14.27	3.02	8.31	20.74	15.35	21.57
(5)	Profit from Ordinary Activities before Finance Costs & Net Exceptional income/ (Expenditure)	79.88	86.21	71.52	247.26	203.90	281.05
(6)	Less : Finance Costs (net)	71.38	70.11	70.38	209.77	210.09	278.91
(7)	Profit / (Loss) from ordinary activities before Net Exceptional income / (Expenditure)	8.50	16.10	1.14	37.49	(6.19)	2.14
(8)	Net Exceptional Income / (Expenditure)						
(9)	Profit / (Loss) from Ordinary Activities before Tax	8.50	16.10	1.14	37.49	(6.19)	2.14
(10)	Tax Expense (Provision for Deferred tax) including reversal of MAT entitlement credit	6.35	10.05	0.86	19.03	(1.79)	0.52
(11)	Profit / (Loss) from Ordinary Activities after Tax	2.15	6.05	0.28	18.46	(4.40)	1.62
(12)	Extraordinary item (net of tax expense Rs Nil crore)						
(13)	Net Profit / (Loss) for the period	2.15	6.05	0.28	18.46	(4.40)	1.62
(14)	Paid-up Equity Share Capital (Face value Rs 10/- per share)	141.41	141.41	141.41	141.41	141.41	141.41
(15)	Reserves (excluding Revaluation Reserve)						319.64
(16)	Earnings per Share (EPS) (not annualised) - (in Rs.)						
	Basic and Diluted EPS (in Rs.)						
	- Before Extra ordinary item	0.15	0.43	0.02	1.31	(0.31)	0.11
	- After Extra ordinary item	0.15	0.43	0.02	1.31	(0.31)	0.11



		Quarter ended			Nine months ended		Year ended
		31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
SEGMENT REVENUE (NET OF EXCISE DUTY)							
1)	Specialty Steel	617.55	634.52	648.72	1,883.46	1,980.53	2,599.44
2)	Power Generation	15.42	15.40	10.53	47.02	26.42	39.96
3)	Industrial Machinery & Engineering Contracts	34.21	45.46	14.02	127.19	72.61	132.96
4)	Others						
	Sub-total	667.18	695.38	673.27	2,057.67	2,079.56	2,772.36
	Less : Inter Segment Revenue	(15.15)	(16.00)	(10.66)	(48.68)	(27.68)	(41.37)
	Total Segment Revenue	652.03	679.38	662.61	2,008.99	2,051.88	2,730.99
SEGMENT RESULT							
1)	Specialty Steel	60.02	81.36	58.53	207.62	177.12	239.33
2)	Power Generation	14.04	13.93	9.17	42.78	21.69	33.75
3)	Industrial Machinery & Engineering Contracts	(5.76)	(8.12)	(1.44)	(13.91)	(2.01)	(1.83)
4)	Others	(0.65)	(0.70)	(0.85)	(2.02)	(1.56)	(1.86)
	Less : Inter segment margin	0.06	(0.09)		(0.24)	(0.11)	(0.13)
	Total Segment Result	67.71	86.38	65.41	234.23	195.13	269.26
	Add / (Less) :						
	Other net un-allocable :						
	Income	14.27	3.01	8.31	20.74	15.36	21.57
	Expenditure	2.10	3.18	2.20	7.71	6.59	9.78
	Other net un-allocable (expenditure) / income	12.17	(0.17)	6.11	13.03	8.77	11.79
	Profit / (Loss) before Finance costs	79.88	86.21	71.52	247.26	203.90	281.05
	Less : Finance costs (net)	71.38	70.11	70.38	209.77	210.09	278.91
	Profit / (Loss) before tax	8.50	16.10	1.14	37.49	(6.19)	2.14
SEGMENT ASSETS / LIABILITIES							
		31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
A	Segment Assets						
1)	Specialty Steel	3,498.27	3,346.50	4,675.05	3,498.27	4,675.05	4,693.01
2)	Power Generation	41.95	42.82	41.87	41.95	41.87	44.17
3)	Industrial Machinery & Engineering Contracts	436.34	443.41	596.67	436.34	596.67	646.93
4)	Others	131.75	122.04	122.74	131.75	122.74	121.48
5)	Corporate - Unallocable	436.27	441.65	439.28	436.27	439.28	451.06
		4,544.58	4,396.42	# 5,875.61	4,544.58	# 5,875.61	# 5,956.65
B	Segment Liabilities						
1)	Specialty Steel	1,103.20	982.76	938.88	1,103.20	938.88	923.78
2)	Power Generation	0.27	0.24	3.98	0.27	3.98	0.42
3)	Industrial Machinery & Engineering Contracts	62.56	70.00	65.29	62.56	65.29	89.42
4)	Others						
5)	Corporate - Unallocable	2,893.41	2,860.42	2,754.31	2,893.41	2,754.31	2,824.96
		4,059.44	3,913.42	3,762.46	4,059.44	3,762.46	3,838.58
	Total Net Capital Employed	485.14	483.00	2,113.15	485.14	2,113.15	2,118.07

Includes Revaluation of Assets



Notes:

1) The Board of Directors of the Company, on 12th January, 2017 has approved a scheme of arrangement and amalgamation amongst the Company, Mukand Vijaynagar Steel Limited (MVSL, a wholly owned subsidiary) and Mukand Alloy Steels Private Ltd. (MASPL, a wholly owned subsidiary) and their respective shareholders and creditors under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as detailed below :

- a) Slump Sale of alloy steel rolling and finishing business of the Company to MVSL on a going concern basis (Slump Sale);
- b) Amalgamation of MVSL (post Slump Sale) with MASPL in accordance with Section 2(1B) of the Income tax Act, 1961 (Amalgamation)

The appointed date for Slump Sale and Amalgamation under the Scheme is 1st January 2017. The Scheme is subject to approvals of shareholders and regulatory authorities.

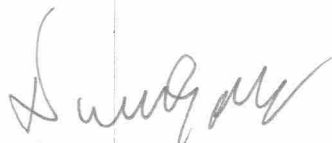
2) Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2016:

- a) The investments in and advances due from Vidyavihar Containers Limited (VCL), aggregating Rs. 47.13 Crore as at 31st December, 2016 was same at Rs.47.13 Crore as at 31st 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;
- b) The investments in, the debts and advances due from Bombay Forgings Limited (BFL) was at Rs.79.61 Crore as at 31st December, 2016 as against Rs.78.28 Crore as at 31st March 2016. The management, considering its long term view on the 'Exposures', relies upon the valuation of unencumbered fixed assets of BFL as at 31st March, 2015 which was at Rs.66.94 Crore 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.
- c) The debts and advances recoverable from Stainless India Limited (SIL), which aggregated Rs.7.27 Crore as at 31st December, 2016 as compared to Rs.7.31 Crore as at 31st March 2016. The management relies upon the realization from Land of SIL. The management considers the balance 'Exposures' to be 'Good' and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.




- d) 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, 2016 aggregated Rs.130.28 Crore and was at Rs.120.00 Crore as at 31st March 2016. During the quarter under review, the Company received Rs 2.52 crore and further the Arbitral Tribunal has given an award in favour of CDS aggregating Rs 19.54 crore in case of six claims (claims Rs 6.35 crore and compensation for delay in settlement of claims Rs 13.19 crore) . On receipt of this amount from NHAI , the same shall be paid to the Company by CDS in terms of the agreement. 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.296.07 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 quarter.
- 3) In view of enactment of The Companies (Accounting Standards) Amendment Rules, 2016 by Notification No.GSR 364(E) dated 30th March 2016, applicable from 1st April 2016, Company has chosen to adopt original cost in place of revalued amount as per Accounting Standard AS-10 – Property, Plant and Equipment. Accordingly, the Revaluation Reserve amounting to Rs. 1,651.38 Crore appearing in the Books of Account of the Company as at 31st March 2016 with regard to revaluation of Company's free hold/lease hold lands at Kalwe/Dighe, Thane stands reversed on 1st April 2016.
- 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 13th February,2017. Statutory auditors have carried out a "Limited Review" of the financial results shown above.

**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: 13th February,2017



Limited Review Report

Review Report 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, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015. 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 Accounting Standard 25 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 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 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 standards 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/CMD/15/2015 dated November 30, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.



4. We draw attention to the following:

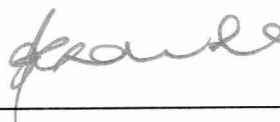
- a) Note 2(a) to the Statement, relating to the exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 47.13 crores (net) as at December 31, 2016 (Rs. 47.13 crores (net) as at March 31, 2016), where the management has, barring any significant uncertainties in future, relied upon the future realizable values of financial assets of VCL to recover its exposures.
- b) Note 2(b) to the Statement, relating to the exposures in Bombay Forgings Limited (BFL) aggregating Rs. 79.61 crores as at December 31, 2016 (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 2(c) to the Statement, relating to the exposures in Stainless India Limited (SIL), an associate company, aggregating Rs. 7.27 crores (net) as at December 31, 2016 (Rs. 7.31 crores (net) as at March 31, 2016), where the net worth of SIL has been fully eroded and there are no significant activities being carried out by SIL. The management has, barring any significant uncertainties in future, relied upon the valuation of land held by SIL.
- d) Note 2(d) to the Statement, relating to the exposures aggregating Rs. 130.28 crores as at December 31, 2016 (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.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No.: 034828

Place: Mumbai

Date: February 13, 2017

