

**Mukand Ltd.**

**Regd. Office :** Bajaj Bhawan, 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/SE/  
22<sup>nd</sup> August, 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 first quarter / three months ended June 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 Standalone Financial Results for the first quarter / three months ended June 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 12.00 noon and concluded at 12.45 p.m.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
For **Mukand Limited**,



K. J. Mallya  
**Company Secretary**  
([kjmallya@mukand.com](mailto:kjmallya@mukand.com))

Encl : As above





CIN L 99999 MH 1937 PLC 002726

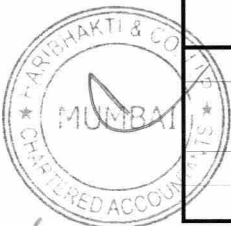
## MUKAND LIMITED

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

### STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30,2017

**Rs. Crores**

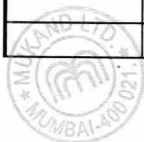
	Particulars	Quarter ended	
		30-Jun-17	30-Jun-16
		Unaudited	Unaudited
I	Revenue from Operations	865.13	757.65
II	Interest Income	40.25	36.80
II	Other Income	2.32	3.57
III	Total Revenue I+II+III	907.70	798.02
IV	EXPENSES		
a)	Cost of materials consumed	441.09	263.97
b)	Changes in inventories of finished goods and work-in-progress	(57.52)	(13.67)
c)	Excise Duty	88.45	84.00
d)	Employee benefits expense	45.05	43.46
e)	Finance Costs	110.44	105.33
f)	Depreciation and Amortisation expenses	16.73	17.25
g)	Other Expenditure	284.64	334.97
h)	Expenditure transferred to Capital Account / Capital Work-in-Progress	(4.30)	(1.28)
	Total Expenses	924.58	834.03
V	Profit / (Loss) before tax (III - IV)	(16.88)	(36.01)
VI	Tax Expense		
	Current Tax	-	-
	Deferred Tax (Charge) / Credit	3.87	13.08
	Total Tax Expenses	3.87	13.08
		-	-
VII	Profit / (Loss) for the period (V - VI)	(13.01)	(22.93)
VIII	Other Comprehensive Income		
a)	Items that will not be reclassified to Profit or loss-Actuarial Gain on Employee defined benefit funds	0.10	0.21
b)	Less : Deferred tax on above	(0.03)	(0.07)
	Net	0.07	0.14
IX	Total Comprehensive Income (VII+VIII)	(12.94)	(22.79)
X	Earnings per Equity Share (EPS) - (in Rs.)	-	-
	Basic and Diluted EPS (in Rs.)	(0.92)	(1.62)



## MUKAND LIMITED

Rs Crores

		Quarter ended	
		30-Jun-17 Unaudited	30-Jun-16 Unaudited
	SEGMENT REVENUE		
1)	Specialty Steel	840.89	712.27
2)	Industrial Machinery & Engineering Contracts	29.20	46.70
	Sub-total	870.09	758.97
	Less : Inter Segment Revenue	(4.96)	(1.32)
	Total Segment Revenue	865.13	757.65
	SEGMENT RESULT	-	-
1)	Specialty Steel	56.93	32.92
2)	Industrial Machinery & Engineering Contracts	(1.57)	(0.65)
	Less : Inter segment margin	(0.81)	(0.21)
	Total Segment Result	54.55	32.06
	Add / (Less) :		
	Other net un-allocable :		
	Interest Income	40.25	36.80
	Other Income	2.32	3.57
	Expenditure	(3.56)	(3.11)
	Other net un-allocable (expenditure) / income	39.01	37.26
	Profit / (Loss) before Finance costs	93.56	69.32
	Less : Finance costs	110.44	105.33
	Profit / (Loss) before tax	(16.88)	(36.01)
	SEGMENT ASSETS / LIABILITIES	30-Jun-17	30-Jun-16
A	<b>Segment Assets</b>		
1)	Specialty Steel	3,532.56	3,202.19
2)	Industrial Machinery & Engineering Contracts	397.21	460.99
3)	Corporate - Unallocable	552.96	613.70
		4,482.73	4,276.88
B	<b>Segment Liabilities</b>		
1)	Specialty Steel	991.00	952.94
2)	Industrial Machinery & Engineering Contracts	57.35	87.39
3)	Corporate - Unallocable	3,061.15	2,855.40
		4,109.50	3,895.73
	Total Net Capital Employed	373.23	381.15



**Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 22<sup>nd</sup> August 2017.
2. The Company adopted Indian Accounting Standards (Ind AS) from 1<sup>st</sup> April 2017. The figures for the quarter ended 30<sup>th</sup> June 2016 are also Ind AS compliant. They have not been subjected 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.
3. 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 30<sup>th</sup> June 2017 was same at Rs.47.13 Crore (Net) as at 31<sup>st</sup> March 2017. The Company, barring unforeseen circumstances, relies upon the estimation of future realizable values of the financial assets of VCL. The management barring unforeseen circumstances consider 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.88.59 Crore as at 30<sup>th</sup> June 2017 as against Rs.82.01 Crores at 31<sup>st</sup> March 2017. 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.
  - 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 30<sup>th</sup> June 2017 aggregated Rs.113.20 Crore as compared to Rs.113.54 Crore as at 31<sup>st</sup> 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 exposures are fully recoverable and to be settled progressively over a period of next 2 to 3 years.



4. 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. 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 16<sup>th</sup> August 2017 and now subject to the approval of 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 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.
5. Net profit reconciliation as required by Para 32 of Ind-AS 101 is as under:

Sl. No.	Particulars	Rs.in Crore (refer Note 2 above)
1	Net Profit for the quarter ended 30.6.2016 under previous Indian GAAP	10.26
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)
b)	Effect of measurement of the financial assets and financial liabilities in accordance with Ind AS 109, net of tax	(35.02)
c)	Capitalisation of Stores and Spares and related depreciation.	1.97
3	Net profit for the quarter ended 30 <sup>th</sup> June 2016 under Ind-AS	(22.93)
4	Other comprehensive income, net of tax	0.14
5	Total comprehensive income for the period as per Ind AS	(22.79)

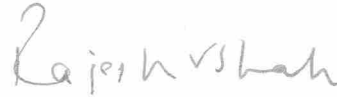


6. Other expenses for the quarter include Rs.5.09 Cr towards provision for estimated credit loss in respect of Trade Receivables. Under previous Indian GAAP, Company created provision for doubtful debts on the basis of review of credit risk of specific customer/s. Under Ind-AS, provision for estimated credit loss for the quarter ended 30<sup>th</sup> June 2017 has been determined based on expected credit loss model as per Ind-AS 109.
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: 22<sup>nd</sup> August 2017.



**Limited Review Report on the Unaudited Financial Results for the quarter ended June 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 June 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.



# HARIBHAKTI & CO. LLP

Chartered Accountants

4. We draw attention to the following:

- (a) Note 3(a) to the Statement, relating to the exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 47.13 crores (net) as at June 30, 2017 (Rs. 47.13 crores (net) as at March 31, 2017), 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 3(b) to the Statement, relating to the exposures in Bombay Forgings Limited (BFL) aggregating Rs. 88.59 crores as at June 30, 2017 (Rs. 82.01 crores as at March 31, 2017), 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 3(c) to the Statement, relating to the exposures aggregating Rs. 113.20 crores as at June 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 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 ended June 30, 2016, has not been subject to limited review.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



  
Purushottam Nyati

Partner

Membership No.: 118970

Place: Mumbai

Date: August 22, 2017