



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

MUKAND LIMITED

Rs. Crores

		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