

MUKAND LIMITED

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

EXTRACT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED MARCH 31, 2018

----- Standalone -----

----- Consolidated -----

Particulars	<i>Rs. Crores</i>					<i>Rs. Crores</i>	
	Quarter ended			Twelve months ended		Twelve months ended	
	31-Mar-18 Audited	31-Dec-17 Unaudited	31-Mar-17 Audited	31-Mar-18 Audited	31-Mar-17 Audited	31-Mar-18 Audited	31-Mar-17 Audited
Total income from operations	818.01	792.13	789.94	3,106.65	2,995.19	3,482.35	3,024.55
Net Profit/(Loss) before tax	128.63	(47.54)	0.53	25.84	74.08	920.09	41.82
Tax Expense (Charge) / Credit & reversal of MAT Entitlement Credit	(12.69)	15.05	(34.08)	18.22	(62.84)	(98.99)	(53.17)
Profit/(Loss) after Tax for the period / year	115.94	(32.49)	(33.55)	44.06	11.24	821.10	(11.35)
Other Comprehensive Income	30.50	0.07	(22.09)	30.71	(21.66)	0.99	4.66
Total Comprehensive Income (net of tax)	146.44	(32.42)	(55.64)	74.77	(10.42)	822.09	(6.69)
Equity Share Capital - Face value Rs.10/- per Share	141.41	141.41	141.41	141.41	141.41	141.41	141.41
Basic & Diluted (in Rs.)	8.20	(2.30)	(2.37)	3.12	0.79	58.07	(0.80)



Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29th May 2018.
2. 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 year ended 31st March 2018 are not comparable with the figures of previous year.
3. Exceptional items shown in above results represent expenditure incurred in connection with transfer of ASRFB amounting to Rs 13.46 crores and gain on account of loss of control in one the Subsidiary amounting to Rs 1,296.86 crores in accordance with Ind AS 110 – Consolidated Financial Statements..
4. (A) During the Quarter, the Company has opted to measure its non-current investments in equity shares in Subsidiary Companies at Fair value through Other Comprehensive Income (FVTOCI) while investments held in Joint Ventures are measured through Profit or Loss (FVTPL), from April 1, 2016, the transition date for Ind-AS. Accordingly, the resultant impact has been considered in the opening reserves for the effects arising for the period till April 1, 2016 and for the period thereafter in OCI or the Profit or Loss as the case may be.

(B) Mukand Alloy Steel Limited(now known as Mukand Sumi Special Steel Limited), which was a subsidiary during the year and became a Joint Venture as at the year end the effects of fair value have been considered in the FVTOCI and Profit or Loss, respectively.

(C) Accordingly, other income and OCI for the current Quarter and Year includes Rs. 263.59 Crore and Rs.39.71 Crore respectively towards change in fair value of non-current investments.



5. Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2018:

- a. The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs.86.49 Crore (Gross) as at 31st March 2018 as against Rs.82.01 Crore (Gross) as at 31st March 2017. 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.
- b. 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 March 2018 aggregated Rs.123.97 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.288.23 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.

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



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 current year.

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

- b) In accordance with the Scheme, the Amalgamation as sanctioned by the NCLT has been accounted in the books of MASPL at fair value in accordance with Purchase Method of accounting as per Accounting Standard AS-14 "Accounting for Amalgamation" as prescribed in Companies (Accounting Standard) Rules, 2006 issued by the Ministry of Corporate Affairs and has recognized goodwill on amalgamation amounting to Rs.1,834.84 Crores which is amortised over its useful life. Depreciation and amortization charge for the year includes Rs. 91.74 Crores on account of Goodwill. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) - 'Business Combinations' for business combination of entities under common control.



7. The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.
8. The above is an extract of the detailed format of Quarterly Financial Results filed with Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Audited Results for the Quarter and twelve Months ended 31st March, 2018 are available on the Stock Exchange websites (www.nseindia.com and www.bseindia.com) and on the Company's website (www.mukand.com)
9. 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

9/5/18

Place : **Mumbai**

Date : **29th May, 2018**

