

**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  
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**Kalwe Works :** Thane-Belapur Road  
Post office Kalwe, Thane, Maharashtra  
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Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179  
CIN : L99999MH1937PLC002726

SEC/STOCK EXCHANGE/BM-478

May 29, 2018

1. Department of Corporate Services <b>Bombay Stock Exchange Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.  ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code : 500460	2. Listing Department <b>National Stock Exchange of India Ltd.</b> 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 : Audited financial results for the quarter and year ended 31<sup>st</sup> March, 2018.**

In terms of the provisions of the Regulation 30 (read with Part A of Schedule III) and 33 of the SEBI Listing Regulations, 2015, we enclose the following statements for the quarter and year ended 31<sup>st</sup> March, 2018, which were approved and taken on record at the meeting of the Board of Directors held today, the 29<sup>th</sup> May, 2018:

- Statement of Audited Standalone Financial Results for the quarter and year ended 31<sup>st</sup> March, 2018 along with Audit Report; and
- Statement of Audited Consolidated Financial Results for the quarter and year ended 31<sup>st</sup> March, 2018 along with Audit Report.

The audit reports are submitted with unmodified opinion (free from any qualifications) and a declaration to that effect is enclosed.

Annual General Meeting of the Company will be held on Monday, 13<sup>th</sup> August, 2018, at Kamalnayan Bajaj Hall, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021.


The register of members and share transfer books will remain closed from Saturday, 4<sup>th</sup> August, 2018 to Monday, 13<sup>th</sup> August, 2018 (both days inclusive) for the purpose of the Annual General Meeting.

The meeting commenced at 4.00 p.m. and concluded at 7.15 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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED MARCH 31,2018

Rs. Crores

Particulars	Quarter ended			Twelve months ended	
	31-Mar-18 Audited	31-Dec-17 Unaudited	31-Mar-17 Audited	31-Mar-18 Audited	31-Mar-17 Audited
<b>I TOTAL REVENUE</b>					
a) Gross Sales	808.16	784.85	782.57	3,083.16	2,978.72
b) Other Operating Income	9.85	7.28	7.37	23.49	16.47
<b>I Revenue from Operations</b>	<b>818.01</b>	<b>792.13</b>	<b>789.94</b>	<b>3,106.65</b>	<b>2,995.19</b>
<b>II Interest Income</b>	<b>9.97</b>	<b>2.92</b>	<b>38.30</b>	<b>25.25</b>	<b>156.33</b>
<b>III Other Income</b>	<b>273.17</b>	<b>0.29</b>	<b>49.28</b>	<b>275.68</b>	<b>63.64</b>
<b>IV Total Revenue I+II+III</b>	<b>1,101.15</b>	<b>795.34</b>	<b>877.52</b>	<b>3,407.58</b>	<b>3,215.16</b>
<b>V EXPENSES</b>					
a) Cost of materials consumed	440.64	493.08	292.40	1,772.18	1,153.45
b) Purchase of Stock in Trade	11.73			11.73	
c) Changes in inventories of finished goods and work-in-progress	67.93	(63.22)	47.11	(54.47)	(104.83)
d) Excise Duty		0.01	82.38	36.83	328.56
e) Employee benefits expense	48.12	47.68	46.68	182.47	174.59
f) Finance Costs	69.36	67.29	105.95	267.25	424.78
g) Depreciation and Amortisation expenses	15.65	13.72	18.35	56.47	71.35
h) Other Expenditure	315.65	275.43	284.94	1,102.77	1,095.90
i) Expenditure transferred to Capital Account / Capital Work-in-Progress	(0.97)	(0.16)	(0.82)	(6.95)	(2.72)
<b>Total Expenses</b>	<b>968.11</b>	<b>833.83</b>	<b>876.99</b>	<b>3,368.28</b>	<b>3,141.08</b>
<b>VI Profit / (Loss) before Exceptional items &amp; tax (IV-V)</b>	<b>133.04</b>	<b>(38.49)</b>	<b>0.53</b>	<b>39.30</b>	<b>74.08</b>
<b>VII Exceptional Income / (Expenses)</b>	<b>(4.41)</b>	<b>(9.05)</b>		<b>(13.46)</b>	
<b>VIII Profit / (Loss) before tax (VI-VII)</b>	<b>128.63</b>	<b>(47.54)</b>	<b>0.53</b>	<b>25.84</b>	<b>74.08</b>
<b>IX Tax Expense</b>					
Current Tax	5.94	0.02		5.96	
Deferred Tax (Charge) / Credit & reversal of MAT Entitlement Credit	(18.63)	15.03	15.13	12.26	(13.63)
<b>Total Tax</b>	<b>(12.69)</b>	<b>15.05</b>	<b>15.13</b>	<b>18.22</b>	<b>(13.63)</b>
<b>X Profit/(Loss) for the period/year (VIII - IX)</b>	<b>115.94</b>	<b>(32.49)</b>	<b>15.66</b>	<b>44.06</b>	<b>60.45</b>
Less : Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years					
a) MAT Entitlement Lapsing			(15.53)		(15.53)
Less : Deferred Tax Charge due to lapsing of business loss			(33.68)		(33.68)
			(49.21)		(49.21)
<b>Profit / (Loss) for the period</b>	<b>115.94</b>	<b>(32.49)</b>	<b>(33.55)</b>	<b>44.06</b>	<b>11.24</b>
<b>XI Other Comprehensive Income</b>					
Items that will not be reclassified to Profit or loss-					
a) Actuarial Gain on Employee defined benefit funds	3.00	0.10	2.54	3.30	3.17
Changes in Fair Value of Equity Instruments	39.71		(23.80)	39.71	(23.80)
b) Less : Deferred tax on above	(12.21)	(0.03)	(0.83)	(12.30)	(1.03)
<b>Net</b>	<b>30.50</b>	<b>0.07</b>	<b>(22.09)</b>	<b>30.71</b>	<b>(21.66)</b>
<b>XII Total Comprehensive Income (X+XI)</b>	<b>146.44</b>	<b>(32.42)</b>	<b>(55.64)</b>	<b>74.77</b>	<b>(10.42)</b>
<b>XIII Earnings per Equity Share (EPS) - Face Value Rs 10/- each</b>					
Basic and Diluted EPS (in Rs.)	8.20	(2.30)	(2.37)	3.12	0.79



	Quarter ended			Twelve months ended	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	Audited	Unaudited	Audited	Audited	Audited
<b>SEGMENT REVENUE</b>					
1) Specialty Steel	797.14	776.44	724.93	3,033.37	2,841.63
2) Industrial Machinery & Engineering Contracts	21.30	15.89	65.76	80.50	155.97
Sub-total	818.44	792.33	790.69	3,113.87	2,997.60
Less : Inter Segment Revenue	(0.43)	(0.20)	(0.75)	(7.22)	(2.41)
Total Segment Revenue	818.01	792.13	789.94	3,106.65	2,995.19
<b>SEGMENT RESULT</b>					
1) Specialty Steel	(59.05)	38.28	19.45	59.35	301.71
2) Industrial Machinery & Engineering Contracts	(6.23)	(9.62)	1.89	(24.55)	(10.10)
Less : Inter segment margin	(0.06)	(0.01)	(0.11)	(1.14)	(0.35)
Total Segment Result	(65.34)	28.65	21.23	33.66	291.26
Add / (Less) :					
Other net un-allocable :					
Interest Income	9.97	2.92	38.30	25.25	156.33
Income	273.17	0.29	49.28	275.68	63.64
Expenditure	(19.81)	(12.11)	(2.33)	(41.50)	(12.37)
Other net un-allocable (expenditure) / income	263.33	(8.90)	85.25	259.43	207.60
Profit /(Loss) before Finance costs	197.99	19.75	106.48	293.09	498.86
Less : Finance costs	69.36	67.29	105.95	267.25	424.78
Profit / (Loss) before tax	128.63	(47.54)	0.53	25.84	74.08
<b>SEGMENT ASSETS / LIABILITIES</b>	<b>31-Mar-18</b>	<b>31-Dec-17</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>A Segment Assets</b>					
1) Specialty Steel	2,251.50	2,049.62	3,512.11	2,251.50	3,512.11
3) Industrial Machinery & Engineering Contracts	372.48	343.53	417.72	372.48	417.72
5) Corporate - Unallocable	1,718.37	888.16	472.39	1,718.37	472.39
	4,342.35	3,281.31	4,402.22	4,342.35	4,402.22
<b>B Segment Liabilities</b>					
1) Specialty Steel	1,018.14	1,051.33	1,005.69	1,018.14	1,005.69
3) Industrial Machinery & Engineering Contracts	61.65	59.81	60.91	61.65	60.91
5) Corporate - Unallocable	2,113.01	1,896.34	2,974.13	2,113.01	2,974.13
	3,192.80	3,007.48	4,040.73	3,192.80	4,040.73
Total Net Capital Employed	1,149.55	273.83	361.49	1,149.55	361.49



Statement of Assets and Liabilities as on	31-Mar-18	31-Mar-17
<b>I Assets</b>		
<b>(A) Non Current Assets</b>		
(1)		
Property Plant & Equipment	561.98	698.23
Other Intangible assets	0.12	0.16
Capital Work in Progress	23.40	33.13
	585.50	731.52
(2) Financial Assets		
a) Non Current Investments	1,427.80	266.69
b) Other Non-Current Financial Assets	28.30	12.04
	1,456.10	278.73
(3) Deferred tax Assets (net)		61.93
(4) Income Tax Assets	55.24	43.51
(5) Other non-current assets	72.83	84.21
	128.07	189.65
<b>Total (A)</b>	<b>2,169.67</b>	<b>1,199.90</b>
<b>(B) Current Assets</b>		
(1) Inventories	1,105.05	1,342.61
(2)		
a) Trade Receivables	310.16	1,010.85
b) Cash & Bank Balances		
Cash & Cash Equivalents	11.09	16.75
Other Bank Balances	48.95	57.52
	60.04	74.27
c) Short term loans	52.41	15.89
d) Others	564.90	596.17
	617.31	612.06
(3) Other current assets	80.12	162.53
<b>Total (B)</b>	<b>2,172.68</b>	<b>3,202.32</b>
<b>TOTAL ASSETS</b>	<b>4,342.35</b>	<b>4,402.22</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>A Shareholders' Funds</b>		
a) Share Capital	141.42	141.42
b) Reserves & Surplus	1,008.13	220.07
<b>Sub-total Shareholders' Funds</b>	<b>1,149.55</b>	<b>361.49</b>
<b>B Liabilities</b>		
<b>(B.1) Non Current Liabilities</b>		
(1) Financial Liabilities		
a) Long Term Borrowings	776.04	1,648.49
b) Other long term liabilities	4.00	4.00
c) Deferred Tax Liability (net)	78.37	
d) Long-term provisions	37.22	39.46
<b>Total (B.1)</b>	<b>895.63</b>	<b>1,691.95</b>
<b>(B.2) Current Liabilities</b>		
(1) Financial Liabilities		
a) Short Term Borrowings	879.32	948.70
b) Trade Payables	944.05	864.20
c) Others	352.12	361.18
	2,175.49	2,174.08
(2) Other Current Liabilities	115.36	167.82
(3) Short Term provisions	6.32	6.88
	121.68	174.70
<b>Total (B.2)</b>	<b>2,297.17</b>	<b>2,348.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,342.35</b>	<b>4,402.22</b>



## **Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29<sup>th</sup> May 2018.
2. Post introduction of Goods and Services Tax (GST) with effect from 1<sup>st</sup> July 2017, revenue from operations is disclosed net of GST. Accordingly, the figures of revenue from operations and expenses for the year ended 31<sup>st</sup> March 2018 are not comparable with the figures of previous year.
3. (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.
4. 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 31<sup>st</sup> March 2018 as against Rs.82.01 Crore (Gross) as at 31<sup>st</sup> 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 31<sup>st</sup> March 2018 aggregated Rs.123.97 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.288.23 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.

5. A) Net profit reconciliation as required by Para 32 of Ind-AS 101 is as under:

<b>Rs. In Crore</b>			
Sl. No.	Particulars	Quarter ended on 31 <sup>st</sup> March 2017	Year ended on 31st March 2017
1	Net Profit under previous Indian GAAP	(60.27)	(41.81)
2	Ind-As adjustments: Add/ (Less)		
a)	Actuarial gain/ (loss) on employee defined benefit funds recognized in other comprehensive income, net of tax	(1.76)	(2.19)
b)	Effect of measurement of the financial instruments in accordance with Ind AS 109, net of tax	27.22	49.39
c)	Capitalisation of Stores and Spares and related depreciation.	1.25	5.84
3	Net profit under Ind-AS	(33.55)	11.24
4	Other comprehensive income, net of tax	22.09	(21.66)
5	Total comprehensive income for the period as per Ind AS	(55.64)	(10.42)



- (B) Net Equity reconciliation as required by Para 32 of Ind-AS 101 is as under:

<b>Rs.in Crore</b>	
Particulars	As at 31 <sup>st</sup> March 2017
Net equity under previous Indian GAPP	424.88
Effect of measurement of the financial instruments in accordance with Ind AS 109, net of tax	(69.23)
Capitalisation of Stores and Spares and related depreciation.	5.84
Net equity under Ind-AS	361.49

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 01, 2017 (the appointed date). The Scheme became effective 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) Exceptional items of expenditure shown in above results represent expenditure incurred in connection with transfer of ASRFB.

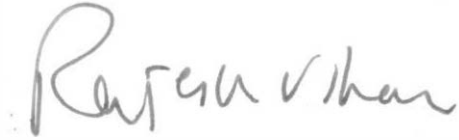


7. The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.
8. Figures in respect of the previous period have been regrouped / recast wherever necessary.

**By Order of the Board of Directors  
For Mukand Ltd.,**



**Niraj Bajaj**  
**Chairman & Managing Director**



**Rajesh V. Shah**  
**Co-Chairman & Managing Director**

Place : **Mumbai**

Date : **29<sup>th</sup> May, 2018**







**Auditor's Report on Annual Standalone Ind AS Financial Results of the Company**  
**Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)**  
**Regulations, 2015**

To  
The Board of Directors  
Mukand Limited

1. We have audited the accompanying Statement of Annual Standalone Ind AS Financial Results of Mukand Limited ('the Company') for the year ended March 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual Ind AS financial statements. Our responsibility is to express an opinion on this Statement, based on our audit of such annual Ind AS financial statements, which have been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.
3. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) gives a true and fair view of the profit (including other comprehensive income) and other financial information of the Company for the year ended March 31, 2018.



5. We draw attention to the following:

- a. Note 4(a) to the Statement, relating to the exposures in Bombay Forging Limited (BFL) aggregating Rs. 86.49 crores (gross) as at March 31, 2018 (Rs. 82.01 crores as at March 31, 2017), where the management has, barring any significant uncertainties in future, considered the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.
- b. Note 4(b) to the Statement, relating to the exposures aggregating Rs. 123.97 crores as at March 31, 2018 (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.

6. The Statement includes the results for the Quarter ended March 31, 2018, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

  
Sumant Sakhardande

Partner

Membership No.: 034828



Place: Mumbai

Date: May 29, 2018



# MUKAND LIMITED

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

## Audited Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

Rs. In Crores

Particulars	Year Ended	Year Ended
	31-03-2018	31-03-2017
	Audited	Audited
<b>I. Revenue from Operations</b>	3,482.35	3,024.55
<b>II. Other income</b>	65.13	36.43
<b>III. Interest Income</b>	25.42	11.86
<b>IV Total Revenue (I + II + III)</b>	3,572.90	3,072.84
<b>V. Expenses:</b>		
(a) Cost of materials consumed	1,816.96	1,141.47
(b) Purchases of Stock-in-Trade	85.81	38.46
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(71.44)	(104.83)
(d) Excise Duty	92.19	328.56
(e) Employee benefits expense	190.78	175.70
(f) Finance costs	472.56	293.59
(g) Depreciation and amortization expense	158.32	71.82
(h) Other Expenses	1,208.75	1,102.98
(i) Expenditure transferred to Capital Accounts / Capital Work-in-Progress	(6.95)	(2.72)
<b>Total expenses</b>	3,946.98	3,045.03
<b>VI. Profit/(loss) before exceptional items and tax (IV-V)</b>	(374.08)	27.81
Less : Exceptional Items(net)	1,283.40	-
<b>VII. Profit/(loss) before tax and Share in Profit of Associate and Joint Venture</b>	909.32	27.81
Add: Share in Profit of Associates and Joint Ventures	10.77	14.01
<b>VIII. Profit before tax</b>	920.09	41.82
<b>IX. Tax expense:</b>		
Current tax	7.83	(0.13)
Deferred tax	(106.82)	(3.83)
<b>Total Tax Expense</b>	(98.99)	(3.96)
Tax adjustments due to reversal of MAT Entitlement / Deferred Tax Credits taken in earlier years	-	-
MAT Entitlement Lapsing	-	(15.53)
Deferred Tax Charge due to lapsing of business loss	-	(33.68)
<b>Total</b>	98.99	53.17
<b>X. Profit/(Loss) for the year (VIII-IX)</b>	821.10	(11.35)
<b>XI. Other Comprehensive income (net)</b>		
<b>1 Items that will not be reclassified to Statement of Profit &amp; Loss :-</b>		
Actuarial Gain on Employee defined benefit funds	3.29	3.17
Share of other comprehensive income of investments accounted for using the equity method	(1.29)	2.60
Less : Deferred tax	(1.09)	(0.98)
<b>2 Items that will be reclassified to Statement of Profit &amp; Loss :-</b>		
Exchange Fluctuation on Translating Foreign Operation	0.08	(0.13)
<b>Total Other Comprehensive income (net)</b>	0.99	4.66
<b>XII. Profit/ (Loss) Carried to Balance Sheet (X+XI)</b>	822.09	(6.69)
<b>XIII. Weighted average number of Equity Shares outstanding during the year (Face Value of Rs. 10)</b>	141,405,861	141,405,861
Basic and diluted earnings per share (in Rs.)	58.07	(0.80)





# MUKAND LIMITED

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

## Audited Consolidated Balance Sheet as at 31st March 2018

Particulars	Rs in crore	
	As at 31-03-2018	As at 31-03-2017
<b>I ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	562.02	698.30
(b) Capital work-in-progress	23.40	33.12
(c) Other Intangible assets	0.12	0.16
(d) Financial Assets		
i) Investments	1,267.96	133.38
ii) Loans	-	12.00
iii) Others	30.11	1.77
(e) Deferred tax assets(net)	-	101.70
(f) Income Tax Assets	55.38	43.54
(g) Other non-current assets	72.83	84.22
	<b>2,011.82</b>	<b>1,108.19</b>
<b>2 Current Assets</b>		
(a) Inventories	1,104.99	1,342.75
(b) Financial Assets		
i) Trade receivables	271.18	1,021.07
ii) Cash and cash equivalents	16.83	21.92
iii) Bank balances other than (ii) above	51.84	60.36
iv) Loans	259.52	150.16
v) Others	586.86	608.79
(c) Other current assets	105.41	162.85
	<b>2,396.63</b>	<b>3,367.90</b>
<b>Total Assets</b>	<b>4,408.45</b>	<b>4,476.09</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Share capital	141.42	141.42
(b) Other equity	956.21	172.78
	<b>1,097.63</b>	<b>314.20</b>
<b>LIABILITIES</b>		
<b>1 Non-Current Liabilities</b>		
(a) Financial liabilities		
i) Borrowings	776.04	1,709.50
ii) Other financial liabilities	4.00	4.00
(b) Provisions	37.99	40.09
(c) Deferred tax liabilities (Net)	21.87	1.88
(d) Other non-current liabilities	-	2.26
	<b>839.90</b>	<b>1,757.73</b>
<b>2 Current liabilities</b>		
(a) Financial liabilities		
i) Borrowings	1,051.13	988.84
ii) Trade payables	915.34	866.60
iii) Other financial liabilities	372.29	373.10
(b) Other current liabilities	123.91	168.70
(c) Provisions	6.37	6.92
(d) Current tax liabilities(Net)	1.88	-
	<b>2,470.92</b>	<b>2,404.16</b>
<b>Total Equity and Liabilities</b>	<b>4,408.45</b>	<b>4,476.09</b>



## **Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29<sup>th</sup> May 2018.
2. Post introduction of Goods and Services Tax (GST) with effect from 1<sup>st</sup> July 2017, revenue from operations is disclosed net of GST. Accordingly, the figures of revenue from operations and expenses for the year ended 31<sup>st</sup> 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. 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 31<sup>st</sup> March 2018 as against Rs.82.01 Crore (Gross) as at 31<sup>st</sup> 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 31<sup>st</sup> March 2018 aggregated Rs.123.97 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.288.23 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.



5. (A) Net profit reconciliation as required by Para 32 of Ind-AS 101 is as under:

<b>Rs. In Crore</b>		
Sl. No.	Particulars	Year ended on 31st March 2017
1	Net Profit under previous Indian GAAP	(29.91)
2	Ind-As adjustments: Add/ (Less)	
a)	Actuarial gain/ (loss) on employee defined benefit funds recognized in other comprehensive income, net of tax	(2.19)
b)	Effect of measurement of the financial assets and financial liabilities in accordance with Ind AS 109, net of tax	20.40
c)	Capitalisation of Stores and Spares and related depreciation.	5.84
d)	Effect of change in Accounting due to application of Ind AS 28 - Share of Joint Venture	(5.35)
e)	Deferred tax impact on unrealized profit	(3.22)
f)	Others	3.09
3	Net profit under Ind-AS	(11.35)
4	Other comprehensive income, net of tax	4.66
5	Total comprehensive income for the year as per Ind AS	(6.69)

(B) Net Equity reconciliation as required by Para 32 of Ind-AS 101 is as under:

<b>Rs.in Crore</b>		
Sl. No.	Particulars	As at 31 <sup>st</sup> March 2017
1	Net equity under previous Indian GAPP	179.27
2	Ind-AS adjustments: Add/ (Less)	
a)	Effect of measurement of the financial assets and financial liabilities in accordance with Ind AS 109, net of tax	(70.06)
b)	Capitalisation of Stores and Spares and related depreciation.	5.84
c)	Application of guidance note on real estate transaction for Revenue recognition, net of tax	93.73
d)	Effect of change in Accounting due to application of Ind AS 28 - Share of Joint Venture	81.57
e)	Deferred tax impact on unrealized profit	21.93
f)	Others	1.92
3	Net equity under Ind-AS	314.20



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 01, 2017 (the appointed date). The Scheme became effective 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.
- c) The Consolidated financial results have been prepared in accordance with Ind AS -110 " Consolidated Financial Statements".



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. 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 : **29<sup>th</sup> May, 2018**





**Auditor's Report on Annual Consolidated Ind AS Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
Mukand Limited

1. We have audited the accompanying Statement of Annual Consolidated Ind AS Financial Results of Mukand Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture entities for the year then ended ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual consolidated Ind AS financial statements. Our responsibility is to express an opinion on this Statement based on our audit of such annual consolidated Ind AS financial statements, which have been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued there under and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.
3. We believe that the audit evidences obtained by us and obtained by the other auditors in terms of their report referred to in paragraph 6 below, is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.



4. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of the reports of the other auditors, the Statement:

(i) includes the annual Ind AS financial results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	Mukand Global Finance Limited	Subsidiary
2	Vidyavihar Containers Limited	Subsidiary
3	Mukand International Limited	Subsidiary
4	Mukand International FZE	Subsidiary
5	Mukand Sumi Special Steel Limited (erstwhile Mukand Alloy Steels Limited)	Joint Venture
6	Mukand Sumi Metal Processing Limited	Joint Venture
7	Mukand Vini Mineral Limited	Joint Venture
8	Hospet Steel Limited	Associate
9	Mukand Engineers Limited	Associate
10	Stainless India Limited	Associate
11	Bombay Forgings Limited	Associate

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) gives a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information of the Group including its associates and joint venture entities for the year ended March 31, 2018.

5. We draw attention to the following:

a. Note 4 (a) to the Statement, relating to the exposures in Bombay Forging Limited (BFL) aggregating Rs. 86.49 crores (gross) as at March 31, 2018 (Rs. 82.01 crores as at March 31, 2017), where the management has, barring any significant uncertainties in future, considered the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.

b. Note 4 (b) to the Statement, relating to the exposures aggregating Rs. 123.97 crores as at March 31, 2018 (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 realisability of balances over a period of next 2 to 3 years.



- c. The Auditors of Mukand Sumi Special Steel Limited (erstwhile known as Mukand Alloy Steel Limited), without modifying their opinion have in the Auditor's Report drawn attention to Note 6 (b) as follows:

We draw attention to Note detailing the accounting treatment relating to the Scheme involving Amalgamation of Mukand Vijaynagar Steel Limited (MVSL), one of the fellow subsidiary of the Company with the Company at fair value with effect from January 1, 2017 (the appointed date) in terms of the Scheme. The amalgamation has been accounted 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. The Scheme became effective from January 15, 2018 upon filling of the certified true copy of the Order with Registrar of Companies, Maharashtra. In accordance with the Scheme, the Company has recognized goodwill on amalgamation amounting to Rs. 1,834.84 crores which is being amortised over its useful life. Depreciation and amortisation for the year includes Rs. 91.74 crores on Goodwill impacting Loss before Tax for the year by like amount. 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.

Our report is not modified in respect of these matters.

6. We did not audit the Ind AS financial statements two (2) subsidiaries included in the Statement, whose Ind AS financial statements reflects total assets of Rs. 301.00 crores as at March 31, 2018, total revenues of Rs. 326.63 crores and total profit (including other comprehensive income) after tax of Rs. 4.68 crores for the year ended on that date, as considered in the Statement. The Statement also include Group's share of net loss (including other comprehensive income) after tax of Rs. 117.87 crores for the year ended March 31, 2018, as considered in the Statement, in respect of three (3) associates and two (2) joint venture entities, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture entities and associates, is based solely on the reports of the other auditors.
7. We did not audit the Ind AS financial statements of two (2) subsidiaries included in the Statement, whose Ind AS financial statements reflects total assets of Rs. 9.96 crores as at



# HARIBHAKTI & CO. LLP

Chartered Accountants

March 31, 2018, total revenues of Rs. 0.08 crores and total loss (including other comprehensive income) after tax of Rs. 1.54 crores for the year ended on that date, as considered in the Statement. The Statement also includes Group's share of net loss (including other comprehensive income) after tax of Rs. 0.77 crores for the year ended March 31, 2018, as considered in the Statement, in respect of two (2) associates, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements are not audited by their auditors and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited Ind AS financial statements. According to the information and explanations given to us by the Management, these Ind AS financial statements are not material to the Group including its associates and joint venture entities.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

  
Sumant Sakhardande

Partner

Membership No.: 034828



Place: Mumbai

Date: May 29, 2018

**Mukand Ltd.**

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India 400 605  
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179  
CIN : I99999MH1937PLC002726

SEC/STOCK EXCHANGE/BM-478

May 29, 2018

1. Department of Corporate Services <b>Bombay Stock Exchange Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.  ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code : 500460	2. Listing Department <b>National Stock Exchange of India Ltd.</b> 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),

**Sub: Declaration in terms of Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

In terms of the second proviso to Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, we declare that M/s. Haribhakti & Company LLP, the Statutory Auditors of the Company have provided the Audit Reports with an Unmodified Opinion on the Annual Audited Financial results (standalone and consolidated) of the Company for the financial year ended 31 March 2018.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
For **Mukand Limited**,



S.B. Jhaveri

**Chief Financial Officer**

(sbjhaveri@mukand.com)

