

Independent Auditor's Review Report on quarterly and year to date Unaudited Standalone Financial Results of Mukand Limited 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 Standalone Financial Results of **Mukand Limited** ("the Company") for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. 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 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.
3. We conducted our review of the Statement 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.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to ;
 - i. Note 3(a) to the Statement, relating to exposures in Bombay Forgings Limited ("BFL") aggregating Rs. 43.43 crores (net of provision for expected credit loss) as at September 30, 2019 (Rs. 44.23 crores as at March 31, 2019). The Management,



barring any significant uncertainties in future, has relied upon the valuation of unencumbered fixed assets and the value of current assets for the balance portion of net exposure in BFL.

- ii. Note 3(b) to the Statement, relating to the net receivables aggregating Rs. 32.61 crores as at September 30, 2019 (Rs. 121.47 crores as at March 31, 2019), in respect of road construction activity, the claims for which have been awarded to Centrodorstroy (CDS) Russia by the Arbitral Tribunals, which has been subsequently settled between NHAI and CDS. During the quarter, the Company has received an amount of Rs. 90.30 crores from CDS and expects to realise its balance fully from CDS in due course.

Our report is not modified in respect of the above matters.

6. Attention is drawn to the fact that the cash flow figures for the corresponding period April 1, 2018 to September 30, 2018, have been approved by the Board of Directors of the Company, but have not been subjected to limited review.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 13034828 AAAA H.A.5493



Place: Mumbai

Date: November 13, 2019



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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED SEPTEMBER 30, 2019

Rs. Crores

	Particulars	Quarter ended			Six months ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	TOTAL REVENUE						
I	Revenue from Operations	647.44	821.94	992.96	1,469.39	1,813.36	3,587.64
II	Other Income						
a)	Interest Income	8.11	13.13	10.11	21.24	19.34	49.88
b)	Gain on Fair Valuation of Investments						23.67
c)	Miscellaneous Income	9.00	2.75	2.63	11.74	3.13	5.79
II	Total Other Income	17.11	15.88	12.74	32.98	22.47	79.34
III	Total Revenue I+II	664.55	837.82	1,005.70	1,502.37	1,835.83	3,666.98
IV	EXPENSES						
a)	Cost of materials consumed	343.11	475.76	549.04	818.87	1,026.32	1,953.43
b)	Purchase of Stock in Trade		0.03	4.58	0.03	8.65	11.60
c)	Changes in inventories of finished goods and work-in-progress	(5.07)	(29.88)	11.47	(34.95)	(30.81)	(17.97)
d)	Employee benefits expense	45.30	48.58	51.46	93.88	103.19	208.38
e)	Finance Costs	82.34	81.60	72.88	163.94	144.50	303.30
f)	Depreciation	18.06	18.32	14.08	36.38	28.26	58.30
g)	Stores, Spares Components, Tools etc. consumed	96.94	134.92	158.44	231.86	293.95	589.68
h)	Other Expenditure	145.63	155.60	172.84	301.23	324.42	694.40
i)	Expenditure transferred to Capital Account / Capital Work-in-Progress	(1.57)	(0.93)	(0.78)	(2.50)	(1.03)	(1.81)
IV	Total Expenses	724.74	884.00	1,034.01	1,608.74	1,897.45	3,799.31
V	Profit / (Loss) before tax (III-IV)	(60.19)	(46.18)	(28.31)	(106.37)	(61.62)	(132.33)
VI	Tax Expense						
	Deferred Tax (Charge) / Credit	18.77	14.05	8.81	32.82	19.92	48.22
	Total Tax	18.77	14.05	8.81	32.82	19.92	48.22
VII	Profit/(Loss) for the period/year	(41.42)	(32.13)	(19.50)	(73.55)	(41.70)	(84.11)
VIII	Other Comprehensive Income						
	Items that will not be reclassified to Profit or loss-						
a)	Actuarial Gain on defined benefit obligations	1.00	0.80	0.83	1.80	1.66	3.20
b)	Net gains on Fair Value changes of Equity Instruments						1.64
c)	Less : Deferred tax on above	(0.31)	(0.25)	(0.26)	(0.56)	(0.52)	(1.34)
	Net	0.69	0.55	0.57	1.24	1.14	3.50
IX	Total Comprehensive Income (VII+VIII)	(40.73)	(31.58)	(18.93)	(72.31)	(40.56)	(80.61)
X	Paid-up equity share capital - Face value Rs.10/- per Share	141.42	141.42	141.42	141.42	141.42	141.42
XI	Reserves (excluding Revaluation Reserve)						912.03
XII	Earnings per Equity Share (EPS) - Face Value Rs 10/- each (not annualised)						
	Basic and Diluted EPS (in Rs.)	(2.93)	(2.27)	(1.38)	(5.20)	(2.95)	(5.95)



MUKAND LIMITED

Rs. Crores

		Quarter ended			Six months ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
SEGMENT REVENUE							
1)	Specialty Steel	624.13	792.54	959.81	1,416.69	1,754.44	3,451.36
2)	Industrial Machinery & Engineering Contracts	25.21	30.50	34.13	55.71	60.11	138.66
	Sub-total	649.34	823.04	993.94	1,472.40	1,814.55	3,590.02
	Less : Inter Segment Revenue	(1.90)	(1.10)	(0.98)	(3.01)	(1.19)	(2.38)
	Total Segment Revenue	647.44	821.94	992.96	1,469.39	1,813.36	3,587.64
SEGMENT RESULT							
1)	Specialty Steel	22.72	35.24	38.86	58.00	74.80	130.62
2)	Industrial Machinery & Engineering Contracts	(5.50)	(10.62)	(2.01)	(16.12)	(3.96)	(13.26)
	Less : Inter segment margin	(0.27)	(0.14)	(0.12)	(0.41)	(0.13)	(0.20)
	Total Segment Result	16.95	24.48	36.73	41.47	70.71	117.16
	Add / (Less) :						
	Other net un-allocable :						
	Interest Income	8.11	13.13	10.11	21.24	19.34	49.88
	Income	9.01	2.75	2.64	11.75	3.14	29.46
	Expenditure	(11.92)	(4.94)	(4.91)	(16.89)	(10.31)	(25.53)
	Other net un-allocable (expenditure) / income	5.20	10.94	7.84	16.10	12.17	53.81
	Profit / (Loss) before Finance costs	22.15	35.42	44.57	57.57	82.88	170.97
	Less : Finance costs	82.34	81.60	72.88	163.94	144.50	303.30
	Profit / (Loss) before tax	(60.19)	(46.18)	(28.31)	(106.37)	(61.62)	(132.33)
SEGMENT ASSETS / LIABILITIES							
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
A	Segment Assets						
1)	Specialty Steel	2,311.60	2,237.13	2,340.43	2,311.60	2,340.43	2,220.48
2)	Industrial Machinery & Engineering Contracts	371.72	379.83	386.65	371.72	386.65	388.84
3)	Corporate - Unallocable	1,694.12	1,781.27	1,748.58	1,694.12	1,748.58	1,768.88
		4,377.44	4,398.23	4,475.66	4,377.44	4,475.66	4,378.20
B	Segment Liabilities						
1)	Specialty Steel	806.74	854.30	1,094.82	806.74	1,094.82	777.80
2)	Industrial Machinery & Engineering Contracts	66.59	73.61	71.99	66.59	71.99	80.92
3)	Corporate - Unallocable	2,526.04	2,451.09	2,215.31	2,526.04	2,215.31	2,466.03
		3,399.37	3,379.00	3,382.12	3,399.37	3,382.12	3,324.75
	Total Net Capital Employed	978.07	1,019.23	1,093.54	978.07	1,093.54	1,053.45



MUKAND LIMITED
Rs. Crores

Statement of Assets and Liabilities as on		30-Sep-19	31-Mar-19
		Unaudited	Audited
I Assets			
(A) Non Current Assets			
(1) Property Plant & Equipment, Capital Work in Progress & Intangible Assets			
a) Property Plant & Equipment	512.08	505.19	
b) Capital Work in Progress	27.06	22.91	
c) Intangible assets	33.55	0.09	
	572.69	528.19	
(2) Financial Assets			
a) Non Current Investments	1,453.10	1,453.10	
b) Other Non-Current Financial Assets	15.77	15.67	
	1,468.87	1,468.77	
(3) Income Tax Assets	47.50	48.84	
(4) Other non-current assets	65.87	78.31	
	113.37	127.15	
Total (A)	2,154.93	2,124.11	
(B) Current Assets			
(1) Inventories	1,308.51	1,254.10	
(2) Financial Assets			
a) Trade Receivables	417.34	443.39	
b) Cash & Cash Equivalents and Other Bank Balances			
i) Cash & Cash Equivalents	0.82	0.78	
ii) Bank Balances Other than (i) above	61.75	58.87	
	62.57	59.65	
c) Short term loans	90.30	69.63	
d) Other Financial Assets	185.00	276.30	
	275.30	345.93	
(3) Other current assets	158.79	151.02	
Total (B)	2,222.51	2,254.09	
TOTAL ASSETS	4,377.44	4,378.20	



MUKAND LIMITED**Rs. Crores**

Statement of Assets and Liabilities as on		30-Sep-19	31-Mar-19
		Unaudited	Audited
II. EQUITY AND LIABILITIES			
II.1 Equity			
a) Share Capital		141.42	141.42
b) Other Equity		836.65	912.03
		978.07	1,053.45
II.2 Liabilities			
A Non Current Liabilities			
(1) Financial Liabilities			
a) Borrowings		1,687.60	1,564.47
b) Other Financial liabilities		14.01	4.00
		1,701.61	1,568.47
(2) Provisions		33.16	32.93
(3) Deferred tax Liabilities		7.81	41.44
Total (A)		1,742.58	1,642.84
(B) Current Liabilities			
(1) Financial Liabilities			
a) Short Term Borrowings		654.62	664.69
b) Trade Payables due to Micro Enterprises and Small Enterprises		2.91	3.67
Other than Micro Enterprises and Small Enterprises		754.04	760.17
Sub-total (b)		756.95	763.84
c) Other Financial Liabilities		166.78	198.22
		1,578.35	1,626.75
(2) Other Current Liabilities		69.07	45.63
(3) Short Term provisions		9.37	9.53
Total (B.2)		1,656.79	1,681.91
TOTAL EQUITY AND LIABILITIES		4,377.44	4,378.20



		Rs in crore		Rs in crore		Rs in crore	
CASH FLOW STATEMENT FOR		Six months ended 30-Sep-19		Six months ended 30-Sep-18		Year ended 31-Mar-19	
		Unaudited		Unaudited		Audited	
A	Cash Flow arising from Operating Activities		(106.37)		(61.62)		(132.32)
	Add back :						
	(1) Depreciation	36.38		28.26		58.30	
	(2) Other Non-cash Expenditure/(Income) -(net)	8.07		(7.75)		(26.28)	
	(3) Interest / Lease Charges (net)	139.87		125.17		253.41	
	(4) Actuarial Gain on defined benefit obligations	1.80		1.66		3.20	
		186.12		147.34		288.63	
		79.75		85.72		156.31	
	Deduct :						
	(1) Investment Income	1.42		2.34		2.34	
	(2) Surplus/(Loss) on sale of assets -(net)	1.48		0.20		6.88	
		2.90		2.54		9.22	
	Operating Profit before Working Capital changes	76.85		83.18		147.09	
	Adjustments for Working Capital Changes						
	(1) (Increase)/Decrease in Trade Receivables	14.79		(156.94)		(140.77)	
	(2) (Increase)/Decrease in Other Non Current Financial Assets	(0.08)		12.74		14.12	
	(3) (Increase)/Decrease in Other Non Current Assets	(12.62)		(0.75)		(5.18)	
	(4) (Increase)/Decrease in Short Term Loans	(20.67)		(12.34)		(21.45)	
	(5) (Increase)/Decrease in Current Financial Assets Others	83.84		287.50		307.66	
	(6) (Increase)/Decrease in Other Current Assets	(8.10)		(52.01)		(22.79)	
	(7) (Increase)/Decrease in Unpaid Dividend, Margin Money & Deposits	(2.88)		(14.45)		(11.42)	
	(8) (Increase)/Decrease in Inventories	(54.41)		(170.13)		(149.08)	
	(9) Increase/(Decrease) in Trade Payables	(4.80)		42.31		(216.64)	
	(10) Increase/(Decrease) in Current Financial Liabilities Others	(5.99)		(11.53)		(4.47)	
	(11) Increase/(Decrease) in Other Current Liabilities	(4.44)		(69.46)		(69.76)	
	Net Increase / (Decrease) Working Capital changes	(15.36)		(145.06)		(319.78)	
	Cash Flow from Operations	61.49		(61.88)		(172.69)	
	Add / (Less) : Direct taxes Refund / (Paid) (net of refunds)	1.34		(13.85)		0.88	
	Net Cash Inflow/(Outflow) from Operating Activities	62.83		(75.73)		(171.81)	
B	Cash Flow arising from Investing Activities						
	Inflow						
	(1) Sale of Fixed Assets	1.52		0.52		16.81	
	(2) Dividends received	1.42		2.34		2.34	
		2.94		2.86		19.15	
	Deduct Outflow						
	(1) Acquisition of Fixed Assets	11.15		7.96		11.14	
		11.15		7.96		11.14	
	Net Cash Inflow/(Outflow) from Investing Activities	(8.21)		(5.10)		8.01	
C	Cash Flow arising from Financing Activities						
	Inflow						
	(1) Proceeds from issue of Preference Share Capital	1.13		-		-	
	(2) Increase in Working Capital Loans from Banks - (net)	31.24		-		-	
	(3) Increase in Other Unsecured Loans (net)	64.82		665.63		877.61	
		97.19		665.63		877.61	
	Deduct Outflow						
	(1) Decrease in Term Loans - (net)	21.61		261.89		301.43	
	(2) Decrease in Working Capital Loans from Banks - (net)	-		202.74		154.34	
	(3) Redemption of Preference Share Capital	1.13		-		-	
	(4) Dividends paid	-		0.05		0.05	
	(5) Interest / Lease charges - (net)	115.09		122.14		268.29	
	(6) Payment towards Liability against Right of Use Assets	13.94		-		-	
		151.77		586.82		724.11	
	Net Cash Inflow / (Outflow) from Financing Activities	(54.58)		78.81		153.50	
	Net Increase / (Decrease) in Cash/Cash Equivalents	0.04		(2.02)		(10.30)	
	Add : Balance at the beginning of the year	0.78		11.08		11.08	
	Cash/Cash Equivalents at the close of the year	0.82		9.06		0.78	



Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th November 2019. Statutory Auditors of the Company have conducted Limited Review of these Financial Results.
2. During the quarter ended 30th September 2019, Company issued 56,26,320, 8% Cumulative Redeemable Preference Shares (CRPS) by way of private placement to Promoter Group entities. The purpose of the issue was to fund the redemption of 56,26,320, 0.01% CRPS. Authorized share capital was accordingly re-classified by altering the Memorandum of Association of the Company. The first instalment of redemption of CRPS of Rs.2/- per share aggregating Rs.1.13 Crore due in September 2019 was paid from subscription of similar amount in the aforesaid issue.
3. Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2019:
 - a. The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs. 43.43 Crore (net of provision for expected credit loss) as at 30th September 2019 as against Rs. 44.23 Crore (net of provision for expected credit loss) as at 31st March 2019. The management, considering the valuation of unencumbered fixed assets and value of current assets of BFL, considers the balance 'net 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. Arbitral Tribunals gave its awards towards claims in favour of CDS. NHAI and CDS have settled the claims to avoid further litigation. During the quarter, Company has received an amount of Rs.90.30 Crore from CDS. The net receivables on this account was Rs.121.47 Crore as at 31st March 2019 which is reduced to Rs. 32.61 Crore as at 30th September 2019. In the opinion of the Management, the balance net receivables would be realized fully from CDS in due course.
4. Figures in respect of the previous period have been regrouped / recast wherever necessary in case of above results.

**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 November 2019**



Independent Auditor's Review Report on quarterly and year to date Unaudited Consolidated Financial Results of Mukand Limited 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 Consolidated Financial Results of Mukand Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive income of its associates and joint ventures for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended September 30, 2018 and the corresponding period from April 01, 2018 to September 30, 2018 and the cash flow figures for the corresponding period April 1, 2018 to September 30, 2018 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to limited review.
3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the 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.
4. We conducted our review of the Statement 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 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



5. The Statement includes the 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 FZE	Subsidiary
4	Adore Traders and Realtors Private Limited	Step-down Subsidiary
5	Mukand Sumi Special Steel Limited	Joint Venture
6	Mukand Sumi Metal Processing Limited	Joint Venture
7	Hospet Steel Limited	Joint Venture
8	Mukand Engineers Limited	Associate
9	Stainless India Limited	Associate
10	Bombay Forgings Limited	Associate

6. Based on our review conducted and procedures performed as stated in paragraph 4 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to:
- Note 3(a) to the Statement, relating to exposures in Bombay Forgings Limited ("BFL") aggregating Rs. 43.43 crores (net of provision for expected credit loss) as at September 30, 2019 (Rs. 44.23 crores as at March 31, 2019). The Management, barring any significant uncertainties in future, has relied upon the valuation of unencumbered fixed assets and the value of current assets for the balance portion of net exposure in BFL.
 - Note 3(b) to the Statement, relating to the net receivables aggregating Rs. 32.61 crores as at September 30, 2019 (Rs. 121.47 crores as at March 31, 2019), in respect of road construction activity, the claims for which have been awarded to Centrodorstroy (CDS) Russia by the Arbitral Tribunals, which has been subsequently settled between NHAI and CDS. During the quarter, the Company has received an amount of Rs. 90.30 crores from CDS and expects to realise its balance fully from CDS in due course.
 - Note 3(c) of the Statement, relating to the accounting treatment of goodwill in the books of Mukand Sumi Special Steel Limited ("MSSSL"), a Joint Venture, amounting to Rs. 1,834.84 crores which is amortised over its useful life in accordance with the Scheme of Amalgamation as sanctioned by the NCLT. As a consequence, depreciation/amortisation charge in the books of MSSSL for the quarter and six month include Rs. 22.93 crores and Rs. 45.86 crores respectively on account of amortisation of goodwill. This accounting treatment is different from that prescribed under Indian Accounting Standard 103 (IND AS 103) "Business Combination" for business combinations of entities under common



control. Had the accounting treatment prescribed under Ind AS 103 been followed, loss before tax reported for the quarter and six month ended September 30, 2019 would have been lower by Rs. 22.93 crores and Rs. 45.86 crores respectively.

Our report is not modified in respect of these matters.

8. We did not review the interim financial results/information of three (3) subsidiaries included in the unaudited consolidated financial results, whose interim financial results/information reflect total assets of Rs. 234.45 crores as at September 30, 2019 and total revenues of Rs. 62.69 crores and Rs. 129.86 crores, total net profit after tax of Rs. 0.87 crores and Rs. 5.46 crores and total comprehensive income of Rs. 1.31 crores and Rs. 5.85 crores, for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively and cash outflows (net) of Rs. 2.50 for the period from April 01, 2019 to September 30, 2019, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net loss after tax of Rs. 2.65 crores and Rs. 5.44 crores and total comprehensive loss of Rs. 2.90 crores and Rs. 5.93 crores for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, as considered in the unaudited consolidated financial results, in respect of one (1) associate, whose interim financial results have not been reviewed by us. These interim financial results/information have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 4 above.

One (1) subsidiary considered above is located outside India whose financial information have been prepared in accordance with accounting principles generally accepted in that respective country and which have been reviewed by other auditor under generally accepted auditing standards applicable in that respective country. The Parent's management has converted the financial information of such subsidiary located outside India from accounting principles generally accepted in that respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our report in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our report on the Statement is not modified in respect of the above matter.

9. The unaudited consolidated financial results include the interim financial statements of one (1) step down subsidiary which has not been reviewed by their auditors, whose interim financial statements reflect total assets of Rs. 90.55 crores as at September 30, 2019 and total revenue of Rs. 3.41 crores and Rs. 6.16 crores, total net loss after tax of Rs. 0.78 crores and Rs. 1.46 crores and total comprehensive loss of Rs. 0.78 crores and Rs. 1.46



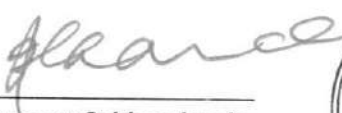
crores for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively and cash inflows (net) of Rs. 0.18 crores for the period from April 01, 2019 to September 30, 2019, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also include the Group's share of net loss after tax of Rs. 10.09 crores and Rs. 11.10 crores and total comprehensive loss of Rs. 10.09 crores and Rs. 11.10 crores for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, as considered in the unaudited consolidated financial results, in respect of two (2) associates, based on their interim financial statements which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial statements are not material to the Group including its associates and joint ventures.

Our report on the Statement is not modified in respect of the above matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048


Sumant Sakhardande

Partner

Membership No.:034828

UDIN: 19034828AAAAH06964



Place: Mumbai

Date: November 13, 2019



MUKAND LIMITED

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

CIN : L99999MH1937PLC002726

Statement of unaudited Consolidated Financial Results for the quarter & Six month ended September 30, 2019

Particulars	Quarter ended			Six month ended		Rs. In Crores
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I. Revenue from Operations	668.37	842.48	1,017.92	1,510.85	1,859.74	3,689.46
II. Other income	9.00	1.38	2.03	10.38	2.50	5.29
III. Interest Income	9.89	17.63	13.47	27.52	21.57	54.84
IV Total Revenue (I + II + III)	687.26	861.49	1,033.42	1,548.75	1,883.81	3,749.59
V. Expenses:						
(a) Cost of materials consumed	336.02	460.33	549.51	796.35	1,010.56	1,916.87
(b) Purchases of Stock-in-Trade	20.86	28.28	23.35	49.14	55.43	119.18
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(5.07)	(29.88)	11.47	(34.95)	(30.81)	(17.96)
(d) Employee benefits expense	45.66	48.97	52.12	94.63	103.87	209.68
(e) Finance costs	88.86	87.67	79.01	176.53	155.83	326.51
(f) Depreciation and amortization expense	18.06	18.32	0.75	36.38	28.42	58.30
(g) Stores, Spares, Components, Tools, etc. consumed	96.94	134.92	158.44	231.86	293.95	589.68
(h) Other Expenses	147.50	156.58	188.61	304.08	342.37	726.29
(i) Expenditure transferred to Capital Accounts / Capital Work-in-Progress	(1.57)	(0.93)	(0.78)	(2.50)	(1.03)	(1.81)
Total expenses	747.26	904.26	1,062.48	1,651.52	1,958.59	3,926.74
VI. Profit/(loss) before exceptional items and tax (IV-V)	(60.00)	(42.77)	(29.06)	(102.77)	(74.78)	(177.15)
Less : Exceptional Items(net)	-	-	-	-	-	-
VII. Profit/(loss) before tax and Share in Profit of Associates and Joint Ventures	(60.00)	(42.77)	(29.06)	(102.77)	(74.78)	(177.15)
Add: Share in Profit of Associates and Joint Ventures	(12.58)	(5.90)	8.79	(18.48)	13.88	18.87
VIII. Profit/(loss) before tax	(72.58)	(48.67)	(20.27)	(121.25)	(60.90)	(158.28)
IX. Tax expense:						
Current tax	0.06	0.57	-	0.63	-	0.07
Deferred Tax Charge / (Credit)	(18.31)	(13.17)	(7.91)	(31.48)	(22.39)	(42.87)
Total Tax Expense	(18.25)	(12.60)	(7.91)	(30.85)	(22.39)	(42.80)
X. Profit/(Loss) for the year (VIII-IX)	(54.33)	(36.07)	(12.36)	(90.40)	(38.51)	(115.48)
XI. Other Comprehensive income (net)						
1 Items that will not be reclassified to Statement of Profit & Loss :-						
Actuarial Gain on Employee defined benefit funds	1.00	0.80	0.83	1.80	1.66	3.20
Less : Deferred tax	(0.31)	(0.25)	(0.26)	(0.56)	(0.52)	(1.00)
Share of other comprehensive income of Associates & Joint ventures accounted for using the equity method	(0.27)	(0.26)	(0.20)	(0.53)	(0.24)	(0.19)
2 Items that will be reclassified to Statement of Profit & Loss :-						
Exchange Fluctuation on Translating Foreign Operations	0.44	(0.05)	0.97	0.39	1.72	0.85
Total Other Comprehensive income (net)	0.86	0.24	1.34	1.10	2.62	2.86
XII. Total Comprehensive Income (X+XI)	(53.47)	(35.83)	(11.02)	(89.30)	(35.89)	(112.62)
XIII. Paid-up equity share capital - Face value Rs. 10/- per share	141.42	141.42	141.42	141.42	141.42	141.42
XIV. Reserves excluding Revaluation Reserves	-	-	-	-	-	773.54
XV. Earning per share - Face value Rs. 10/- per share						
Basic and diluted earnings per share (in Rs.) - (not annualised)	(3.84)	(2.55)	(0.87)	(6.39)	(2.72)	(8.17)



Sr. No.	Particulars	Quarter ended			Six month ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	Specialty Steel	639.26	807.12	982.46	1,446.38	1,791.90	3,533.53
	Industrial Machinery & Engineering Contracts	25.21	30.50	34.13	55.71	60.11	138.66
	Others	5.81	5.96	2.31	11.77	8.92	19.65
	Less : Inter Segment Revenue	(1.91)	(1.10)	(0.98)	(3.01)	(1.19)	(2.38)
	Total Segment Revenue	668.37	842.48	1,017.92	1,510.85	1,859.74	3,689.46
2	Segment Result						
	Specialty Steel	22.50	35.99	40.15	58.49	73.60	133.48
	Industrial Machinery & Engineering Contracts	(5.15)	(10.97)	(2.01)	(16.12)	(3.96)	(13.26)
	Others	1.04	2.09	(14.48)	3.13	(13.40)	(14.23)
	Less : Inter Segment Revenue	(0.27)	(0.14)	(0.12)	(0.41)	(0.13)	(0.20)
	Total Segment Result	18.12	26.97	23.54	45.09	56.11	105.79
	Add : Interest Incomes	9.89	17.63	13.47	27.52	21.57	54.84
	Other Income	9.00	1.38	17.20	10.38	17.67	5.29
	Share in Profit of Associates and Joint Ventures	(12.58)	(5.90)	8.79	(18.48)	13.88	18.87
	Less : Unallocable Expenditure	(11.96)	(4.93)	(10.08)	(16.89)	(25.64)	(38.86)
	Profit / (Loss) before Finance costs	12.47	35.15	52.92	47.62	83.59	145.93
	Less : Finance Cost	(85.05)	(83.82)	(73.19)	(168.87)	(144.49)	(304.21)
	Profit / (Loss) before Tax	(72.58)	(48.67)	(20.27)	(121.25)	(60.90)	(158.28)
3	Segment Assets / Liabilities	As at	As at	As at	As at	As at	As at
(i)	Segment Assets	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	Specialty Steel	2,298.21	2,239.72	2,366.81	2,298.21	2,366.81	2,227.35
	Industrial Machinery & Engineering Contracts	371.72	379.83	386.65	371.72	386.65	388.85
	Others	159.69	173.68	166.70	159.69	166.70	182.49
	Un-allocated Assets	1,608.53	1,687.95	1,673.13	1,608.53	1,673.13	1,669.18
	Total Assets	4,438.15	4,481.18	4,593.29	4,438.15	4,593.29	4,467.87
(ii)	Segment Liabilities						
	Specialty Steel	784.02	848.45	1,105.19	784.02	1,105.19	811.99
	Industrial Machinery & Engineering Contracts	66.59	73.61	71.99	66.59	71.99	80.92
	Others	130.51	144.76	202.17	130.51	202.17	158.83
	Un-allocated Liabilities	2,637.69	2,541.13	2,219.77	2,637.69	2,219.77	2,501.17
	Total Liabilities	3,618.81	3,607.95	3,599.12	3,618.81	3,599.12	3,552.91
4	Total Net Capital Employed	819.34	873.23	994.17	819.34	994.17	914.96





MUKAND LIMITED

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

CIN : L99999MH1937PLC002726

Unaudited Consolidated Balance Sheet as at September 30, 2019

Rs. In Crores

Particulars	As at 30th September, 2019 Unaudited	As at 31st March, 2019 Audited
I ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	512.10	505.22
(b) Capital work-in-progress	27.06	22.91
(c) Other Intangible assets	33.55	0.09
(d) Investment in Joint Ventures and Associates	1,263.85	1,286.14
(e) Financial Assets		
i) Investments	0.73	0.67
ii) Other financial assets	15.77	15.68
(f) Deferred tax assets(net)	2.07	2.56
(g) Income Tax Assets (net)	48.57	49.91
(h) Other non-current assets	65.87	78.31
Total Non-current assets	1,969.57	1,961.49
2 Current Assets		
(a) Inventories	1,308.51	1,254.04
(b) Financial Assets		
i) Trade receivables	408.54	455.03
ii) Cash and cash equivalents	4.95	7.80
iii) Bank balances other than (ii) above	63.82	60.92
iv) Loans	314.83	273.14
v) Other financial assets	209.42	306.12
(c) Income Tax Assets (net)	2.16	-
(d) Other current assets	156.35	149.33
Total Current assets	2,468.58	2,506.38
Total Assets	4,438.15	4,467.87
II EQUITY AND LIABILITIES		
Equity		
(a) Share capital	141.42	141.42
(b) Other equity	677.92	773.54
Total Equity	819.34	914.96
LIABILITIES		
1 Non-Current Liabilities		
(a) Financial liabilities		
i) Borrowings	1,687.60	1,567.78
ii) Other financial liabilities	14.00	4.00
(b) Provisions	34.31	33.94
(c) Deferred tax liabilities (Net)	15.43	48.21
(d) Other non-current liabilities	-	-
Total Non-current liabilities	1,751.34	1,653.93
2 Current liabilities		
(a) Financial liabilities		
i) Borrowings	870.26	860.07
ii) Trade payables due to :		
Micro and Small Enterprises	2.91	3.67
Other than Micro and Small Enterprises	739.08	758.13
iii) Other financial liabilities	179.73	213.57
(b) Other current liabilities	66.12	54.01
(c) Provisions	9.37	9.53
(d) Current tax liabilities(Net)	-	-
Total Current liabilities	1,867.47	1,898.98
Total Equity and Liabilities	4,438.15	4,467.87



Particulars	Six month ended				For the year ended	
	30-09-2019 Unaudited		30-09-2018 Unaudited		31-03-2019 Audited	
A CASH FLOW FROM OPERATING ACTIVITIES:						
Profit before exceptional items and tax		(102.77)		(74.78)		(177.15)
Adjustments for:						
Depreciation/amortisation/impairment	36.38		28.42		71.96	
Surplus on account of sale of Assets/Land	(1.49)		(0.38)		(7.07)	
Loss on sale of assets	0.01		0.18		0.20	
Net gain on foreign currency transactions and translation	(0.11)		-		(0.18)	
Interest expense (Net)	148.79		134.26		381.35	
Credit balances appropriated	(0.01)		(8.02)		(7.24)	
Excess provisions written back (net)	(4.56)		(0.08)		(2.39)	
Provision/(write back) for doubtful debts and advances (net)	10.24		3.03		13.95	
Provision for warranty	0.24		0.08		(0.19)	
Provision for Long Term & Short Term Employee Benefits	(0.03)		(1.21)		(0.69)	
Loss on variation in foreign exchange rate (net)	1.65	191.11	21.23	177.51	24.00	473.70
Cash Generated from operations before working capital changes		88.34		102.73		296.55
Adjustments for:						
(Increase)/decrease in inventories	(54.47)		(170.12)		(149.06)	
(Increase)/Decrease in trade receivables	43.10		(208.88)		(189.75)	
(Increase)/Decrease in other non-current & current financial assets	74.82		285.36		305.63	
(Increase)/Decrease in other non-current & current assets	(21.29)		(48.42)		(36.31)	
Increase/(Decrease) in trade payables	(15.24)		52.74		(211.48)	
Increase/(Decrease) in other non-current & current financial liabilities	(42.91)		(31.72)		(25.51)	
Increase/(Decrease) in other non-current & current liabilities	12.11		(49.59)		(45.69)	
Increase/(Decrease) in non-current & Current provisions	1.80	(2.08)	4.46	(166.17)	3.52	(348.65)
Cash generated from operations		86.26		(63.44)		(52.10)
Taxes paid (net of refunds)		(1.45)		(17.57)		(2.00)
Net cash (used in) / generated from operating activities - [A]	-	84.81		(81.01)		(54.10)
B CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of Property, Plant & Equipment	(13.71)		(143.80)		(11.25)	
Sale proceeds of Property, Plant & Equipment	1.52		136.38		16.81	
Net cash (used in) / generated from investing activities - [B]		(12.19)		(7.42)		5.56
C CASH FLOW FROM FINANCING ACTIVITIES:						
Proceed from issue of Preference Shares	1.13		-		-	
Payment for redemption of Preference Shares	(1.13)		-		-	
Increase/(Decrease) in working capital loans from bank	31.24		(202.74)		(154.34)	
Increase/(Decrease) in other unsecured loans (net)	80.04		554.44		787.51	
Increase/(Decrease) in Term loans (Net)	(11.64)		(85.85)		(114.19)	
Increase/(Decrease) in Fixed Deposits taken	(12.03)		(40.70)		(68.77)	
Payment towards Liability against Right of Use Assets	(13.98)		-		-	
Interest paid	(149.10)		(137.94)		(410.69)	
Net cash (used in) / generated from financing activities - [C]		(75.47)		87.21		39.52
Net increase/(decrease) in cash and cash equivalents - [A+B+C]		(2.85)		(1.22)		(9.02)
Add: Cash and cash equivalents at the beginning of the period/year		7.80		16.82		16.82
Cash and cash equivalents at the end of the period/year		4.95		15.60		7.80



Notes:

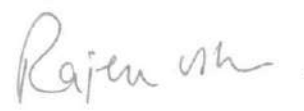
1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th November 2019. Statutory Auditors of the Company have conducted Limited Review of these Consolidated Financial Results.
2. During the quarter ended 30th September 2019, Company issued 56,26,320, 8% Cumulative Redeemable Preference Shares (CRPS) by way of private placement to Promoter Group entities. The purpose of the issue was to fund the redemption of 56,26,320, 0.01% CRPS. Authorized share capital was accordingly re-classified by altering the Memorandum of Association of the Company. The first instalment of redemption of CRPS of Rs.2/- per share aggregating Rs.1.13 Crore due in September 2019 was paid from subscription of similar amount in the aforesaid issue.
3. Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2019:
 - a. The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs. 43.43 Crore (net of provision for expected credit loss) as at 30th September 2019 as against Rs. 44.23 Crore (net of provision for expected credit loss) as at 31st March 2019. The management, considering the valuation of unencumbered fixed assets and value of current assets of BFL, considers the balance 'net 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. Arbitral Tribunals gave its awards towards claims in favour of CDS. NHAI and CDS have settled the claims to avoid further litigation. During the quarter, the Company has received an amount of Rs.90.30 Crore from CDS. The net receivables on this account was Rs.121.47 Crore as at 31st March 2019 which is reduced to Rs. 32.61 Crore as at 30th September 2019. In the opinion of the Management, the balance net receivables would be realized fully from CDS in due course.



- c. In accordance with the Scheme of Amalgamation as sanctioned by the NCLT, Mukand Sumi Special Steel Ltd. has recognized goodwill on amalgamation amounting to Rs.1,834.84 Crores which is amortized over its useful life. Depreciation and amortization charge for the year 2018-19 included Rs. 91.74 Crores on account of Goodwill. Charge for the quarter under report on this count is Rs. 22.93 Crores and Rs.45.86 Crores for the half year under report. 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.
4. The Consolidated financial results have been prepared in accordance with Ind AS -110 "Consolidated Financial Statements" (CFS).
5. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company published its consolidated financial results for the first time effective quarter ended 30th June 2019. The Consolidated financial results including cashflow statement for the quarter/six month ended 30th September 2018 are as compiled by the Management.
6. Figures in respect of the previous period have been regrouped / recast wherever necessary in case of above results.

**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 November 2019**

