

Mukand Ltd.

Regd. Office : Bajaj Bhawan, 3rd Floor
Jamnalal Bajaj Marg
226 Nariman Point, Mumbai, India 400 021
Tel : 91 22 6121 6666 Fax : 91 22 2202 1174
www.mukand.com

SEC/STOCK EXCHANGE/BM-484

August 8, 2019

Kalwe Works : Thane-Belapur Road
Post office Kalwe, Thane, Maharashtra
India 400 605
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179
CIN : L99999MH1937PLC002726

1. Department of Corporate Services BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 021. ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code : 500460	2. Listing Department National Stock Exchange of India Ltd., Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400051. ISIN CODE : INE304A01026 INE304A04012 NSE Scrip Name : MUKAND LTD.
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Dear Sir(s),

Re : Un-audited Financial Results for the first quarter / three months ended June 30, 2019.

With reference to the above and in accordance with the provisions of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Un-audited Financial Results for the first quarter / three months ended June 30, 2019, have been considered and approved at the meeting of the Board of Directors of the Company held today.

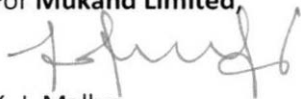
In this regard, we enclose the copy of Standalone & Consolidated Un-audited Financial Results in the prescribed format together with copy of Limited Review Report of the Statutory Auditors of the Company, M/s. Haribhakti & Co., LLP, Chartered Accountants, for your information and records.

The above meeting commenced at 3.50 p.m. and concluded at 3.55 p.m.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For **Mukand Limited**,



K. J. Mallya
Company Secretary
(kjmallya@mukand.com)

Encl : As above



CIN L 99999 MH 1937 PLC 002726

MUKAND LIMITED

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

Rs. Crores

Particulars	Quarter ended			Year ended
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Audited	Unaudited	Audited
I Revenue from Operations	821.94	839.64	820.40	3,587.64
II Other Income				
a) Interest Income	13.13	20.23	9.23	49.88
b) Gain on Fair Valuation of Investments		23.67		23.67
c) Miscellaneous Income	2.75	0.84	0.50	5.79
II Other Income	15.88	44.74	9.73	79.34
III Total Revenue I+II	837.82	884.38	830.13	3,666.98
IV EXPENSES				
a) Cost of materials consumed	475.76	427.89	477.28	1,953.43
b) Purchase of Stock in Trade	0.03	0.48	4.07	11.60
c) Changes in inventories of finished goods and work-in-progress	(29.88)	22.65	(42.28)	(17.96)
d) Employee benefits expense	48.58	52.70	51.73	208.38
e) Finance Costs	81.60	82.51	71.62	303.30
f) Depreciation	18.32	14.09	14.18	58.30
g) Stores, Spares Components, Tools etc. consumed	134.92	134.52	135.51	589.68
h) Other Expenditure	155.60	186.59	151.58	694.39
i) Expenditure transferred to Capital Account / Capital Work-in-Progress	(0.93)	(0.42)	(0.25)	(1.81)
IV Total Expenses	884.00	921.01	863.44	3,799.31
V Profit / (Loss) before tax (III-IV)	(46.18)	(36.63)	(33.31)	(132.33)
VI Tax Expense				
Deferred Tax (Charge) / Credit	14.05	14.45	11.11	48.22
Total Tax	14.05	14.45	11.11	48.22
VII Profit/(Loss) for the period/year	(32.13)	(22.18)	(22.20)	(84.11)
VIII Other Comprehensive Income				
Items that will not be reclassified to Profit or loss-				
a) Actuarial Gain on defined benefit obligations	0.80	0.71	0.83	3.20
b) Net gains on Fair Value changes of Equity Instruments		1.64		1.64
c) Less : Deferred tax on above	(0.25)	(0.56)	(0.26)	(1.34)
Net	0.55	1.79	0.57	3.50
IX Total Comprehensive Income (VII+VIII)	(31.58)	(20.39)	(21.63)	(80.61)
X Paid-up equity share capital - Face value Rs.10/- per Share				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.)	(2.27)	(1.57)	(1.57)	(5.95)



MUKAND LIMITED

Rs. Crores

	Quarter ended			Year ended
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Audited	Unaudited	Audited
SEGMENT REVENUE				
1) Specialty Steel	792.54	794.90	794.63	3,451.36
2) Industrial Machinery & Engineering Contracts	30.50	45.59	25.98	138.66
Sub-total	823.04	840.49	820.61	3,590.02
Less : Inter Segment Revenue	(1.10)	(0.85)	(0.21)	(2.38)
Total Segment Revenue	821.94	839.64	820.40	3,587.64
SEGMENT RESULT				
1) Specialty Steel	35.24	14.18	35.96	130.62
2) Industrial Machinery & Engineering Contracts	(10.62)	(6.05)	(1.95)	(13.26)
Less : Inter segment margin	(0.14)	(0.05)	(0.01)	(0.20)
Total Segment Result	24.48	8.08	34.00	117.16
Add / (Less) :				
Other net un-allocable :				
Interest Income	13.13	20.23	9.23	49.88
Income	2.75	24.51	0.50	29.46
Expenditure	(4.94)	(6.94)	(5.42)	(25.53)
Other net un-allocable (expenditure) / income	10.94	37.80	4.31	53.81
Profit / (Loss) before Finance costs	35.42	45.88	38.31	170.97
Less : Finance costs	81.60	82.51	71.62	303.30
Profit / (Loss) before tax	(46.18)	(36.63)	(33.31)	(132.33)
SEGMENT ASSETS / LIABILITIES	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
A Segment Assets				
1) Specialty Steel	2,237.13	2,220.48	2,370.98	2,220.48
2) Industrial Machinery & Engineering Contracts	379.83	388.84	396.77	388.84
3) Corporate - Unallocable	1,781.27	1,768.88	1,646.31	1,768.88
	4,398.23	4,378.20	4,414.06	4,378.20
B Segment Liabilities				
1) Specialty Steel	854.30	777.80	921.47	777.80
2) Industrial Machinery & Engineering Contracts	73.61	80.92	65.55	80.92
3) Corporate - Unallocable	2,451.09	2,466.03	2,314.60	2,466.03
	3,379.00	3,324.75	3,301.62	3,324.75
Total Net Capital Employed	1,019.23	1,053.45	1,112.44	1,053.45



Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8th August 2019. Statutory Auditors of the Company have conducted Limited Review of these Financial Results.
2. The Company has adopted Ind AS 116 "Leases" effective 1st April 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019, using the retrospective approach as specified under Para C5(b) of IND AS 116. The adoption of this Standard does not have any material impact on the loss for the quarter ended 30th June 2019.
3. As reported last year, the Scheme of amalgamation between the Company, a subsidiary, a step-down subsidiary and an associate Company is pending approval of National Company Law Tribunal and other statutory or regulatory authorities as may be applicable. The Appointed Date for this amalgamation is 1st April 2019.
4. 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. 94.50 Crore (Gross) as at 30th June 2019 as against Rs. 92.23 Crore (Gross) as at 31st March 2019. Adequate provision of Rs. 48.50 Crore (approx.) against trade receivables has been made in the accounts by way of expected credit loss. 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.



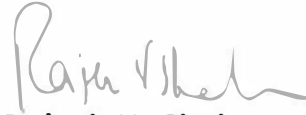
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- b. The Company in previous years executed road construction projects in the state of Uttar Pradesh with National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. The exposure on this account as at 30th June 2019 aggregated Rs. 121.52 Crore as compared to Rs.121.47 Crore as at 31st March 2019. Arbitral Tribunals gave its awards towards claims in favour of CDS. NHAI and CDS have settled the claims at Rs.125.71 Crore to avoid further litigation. The final settlement of Company's dues with CDS is under progress. In the opinion of the management, exposure of the Company would be realized fully.
5. The figures of last quarter of FY 2018-19 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 said financial year.
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 : **8th August 2019**



Independent Auditor's Review Report on quarterly 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 June 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 the followings :
 - (i) Note 4(a) to the Statement, relating to exposures in Bombay Forgings Limited ("BFL") aggregating Rs. 94.50 crores (gross) as at June 30, 2019 (Rs. 92.23 crores (gross) as at March 31, 2019). The Management has created a provision of Rs. 48.50 crores (approximately) on this exposure following the expected credit loss principle and, 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 exposure in BFL.



HARIBHAKTI & CO. LLP

Chartered Accountants

- (ii) Note 4(b) to the Statement, relating to the exposures aggregating Rs. 121.52 crores as at June 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 at Rs 125.71 crores. The final settlement between CDS and the Company is under process. The Management expects to realise its exposure fully.

Our report is not modified in respect of these matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 19034828AAAADL4169



Place: Mumbai

Date: August 08, 2019



MUKAND LIMITED

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

CIN : L99999MH1937PLC002726

Statement of unaudited Consolidated Financial Results for the quarter ended June 30, 2019

Rs. In Crores

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Audited
I. Revenue from Operations	842.48	868.62	841.82	3,689.46
II. Other income	1.38	0.19	0.47	5.29
III. Interest Income	17.63	21.54	8.10	54.84
IV Total Revenue (I + II + III)	861.49	890.35	850.39	3,749.59
V. Expenses:				
(a) Cost of materials consumed	460.33	418.80	461.05	1,916.87
(b) Purchases of Stock-in-Trade	28.28	31.20	32.08	119.18
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(29.88)	22.65	(42.27)	(17.96)
Employee benefits expense	48.97	53.02	51.75	209.68
(e) Finance costs	87.67	87.85	76.82	326.51
(f) Depreciation and amortization expense	18.32	14.09	14.18	58.30
(g) Stores, Spares, Components, Tools, etc. consumed	134.92	134.52	135.51	589.68
(h) Other Expenses	156.58	197.69	167.24	726.29
(i) Expenditure transferred to Capital Accounts / Capital Work-in-Progress	(0.93)	(0.42)	(0.25)	(1.81)
Total expenses	904.26	959.40	896.11	3,926.74
VI. Profit/(loss) before exceptional items and tax (IV-V)	(42.77)	(69.05)	(45.72)	(177.15)
Less : Exceptional Items(net)	-	-	-	-
VII. Profit/(loss) before tax and Share in Profit of Associates and Joint Ventures	(42.77)	(69.05)	(45.72)	(177.15)
Add: Share in Profit of Associates and Joint Ventures	(5.90)	11.86	5.09	18.87
VIII. Profit/(loss) before tax	(48.67)	(57.19)	(40.63)	(158.28)
IX. Tax expense:				
Current tax	0.57	0.07	-	0.07
Deferred Tax Charge / (Credit)	(13.17)	(7.43)	(14.48)	(42.87)
Total Tax Expense	(12.60)	(7.36)	(14.48)	(42.80)
X. Profit/(Loss) for the year (VIII-IX)	(36.07)	(49.83)	(26.15)	(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	0.80	0.71	0.83	3.20
Less : Deferred tax	(0.25)	(0.22)	(0.26)	(1.00)
Share of other comprehensive income of Associates & Joint ventures accounted for using the equity method	(0.26)	(0.25)	(0.04)	(0.19)
2 Items that will be reclassified to Statement of Profit & Loss :-				
Exchange Fluctuation on Translating Foreign Operations	(0.05)	(0.16)	0.75	0.85
Total Other Comprehensive income (net)	0.24	0.08	1.28	2.86
XII. Total Comprehensive Income (X+XI)	(35.83)	(49.75)	(24.87)	(112.62)
XIII. Paid-up equity share capital - Face value Rs. 10/- per share				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)	(2.55)	(3.52)	(1.85)	(8.17)



Mukand Limited
Segment Reporting

(Rs. in crores)

Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
		Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue				
	Specialty Steel	807.12	818.35	809.44	3,533.53
	Industrial Machinery & Engineering Contracts	30.50	45.59	25.98	138.66
	Others	5.96	5.53	6.61	19.65
	Less : Inter Segment Revenue	(1.10)	(0.85)	(0.21)	(2.38)
	Total Segment Revenue	842.48	868.62	841.82	3,689.46
2	Segment Result				
	Specialty Steel	35.99	14.24	33.45	133.48
	Industrial Machinery & Engineering Contracts	(10.97)	(6.05)	(1.95)	(13.26)
	Others	2.09	(9.30)	1.08	(14.23)
	Less : Inter Segment Revenue	(0.14)	(0.05)	(0.01)	(0.20)
	Total Segment Result	26.97	(1.16)	32.57	105.79
	Add : Interest Incomes	17.63	21.54	8.10	54.84
	Other Income	1.38	0.19	0.47	5.29
	Share in Profit of Associate and Jointventure	(5.90)	11.86	5.09	18.87
	Less : Unallocable Expenditure	(4.93)	(6.94)	(15.56)	(38.86)
	Profit / (Loss) before Finance costs	35.15	25.49	30.67	145.93
	Less : Finance Cost	(83.82)	(82.68)	(71.30)	(304.21)
	Profit / (Loss) before Tax	(48.67)	(57.19)	(40.63)	(158.28)
3	Segment Assets / Liabilities	As at	As at	As at	As at
		30-Jun-19	30-Mar-19	30-Jun-18	30-Mar-19
(i)	Segment Assets				
	Specialty Steel	2,239.72	2,227.35	2,362.41	2,227.35
	Industrial Machinery & Engineering Contracts	379.83	388.85	396.77	388.85
	Others	173.68	182.49	164.08	182.49
	Un-allocated Assets	1,687.95	1,669.18	1,579.67	1,669.18
	Total Assets	4,481.18	4,467.87	4,502.93	4,467.87
(ii)	Segment Liabilities				
	Specialty Steel	848.45	811.99	907.96	811.99
	Industrial Machinery & Engineering Contracts	73.61	80.92	65.55	80.92
	Others	144.76	158.83	196.95	158.83
	Un-allocated Liabilities	2,541.13	2,501.17	2,220.76	2,501.17
	Total Liabilities	3,607.95	3,552.91	3,391.22	3,552.91
4	Total Net Capital Employed	873.23	914.96	1,111.71	914.96



Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8th August 2019. Statutory Auditors of the Company have conducted Limited Review of these Financial Results.
2. The Group has adopted Ind AS 116 "Leases" effective 1st April 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019 using the retrospective approach as specified under Para C5(b) of IND AS 116. The adoption of this Standard does not have any material impact on the results for the quarter ended 30th June 2019. The impact of this standard is under review by the Joint Venture company, Mukand Sumi Special Steel Ltd., which will not have any material impact on the financial Results.
3. As reported last year, the Scheme of amalgamation between the Company, a subsidiary, a step-down subsidiary and an associate Company is pending approval of National Company Law Tribunal and other statutory or regulatory authorities as may be applicable. The Appointed Date for this amalgamation is 1st April 2019.
4. 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. 94.50 Crore (Gross) as at 30th June 2019 as against Rs. 92.23 Crore (Gross) as at 31st March 2019. Adequate provision of Rs. 48.50 Crore (approx.) against trade receivables has been made in the accounts by way of expected credit loss. 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 realizability 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 30th June 2019 aggregated Rs. 121.52 Crore as compared to Rs.121.47 Crore as at 31st March 2019. Arbitral Tribunals gave its awards towards claims in favour of CDS. NHAI and CDS have settled the claims at Rs.125.71 Crore to avoid further litigation. The final settlement of Company's dues with CDS is under progress. In the opinion of the management, exposure of the Company would be realized fully.

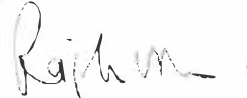


- c. In accordance with the Scheme of Amalgamation as sanctioned by the NCLT, Mukand Sumi Special Steel Ltd. has recognized goodwill on amalgamation amounting to Rs.1,834.84 Crores which is amortized over its useful life. Depreciation and amortization charge for the year 2018-19 included Rs. 91.74 Crores on account of Goodwill. Charge for the quarter under report on this count is Rs.22.94 Crores. 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.
5. The Consolidated financial results have been prepared in accordance with Ind AS -110 "Consolidated Financial Statements" (CFS).
6. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is publishing its consolidated financial results for the first time in this quarter. The Consolidated financial results for the quarter ended 30th June 2018 and 31st March 2019 are as compiled by the Management.
7. 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 : **8th August 2019**



Independent Auditor's Review Report on quarterly 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 profit/(loss) after tax and total comprehensive income/(loss) of its associates and joint ventures for the quarter ended June 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 quarters ended June 30, 2018 and March 31, 2019, as reported in these financial results, have been compiled by the Management and 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 (erstwhile Mukand Alloy Steels Private Limited)	Joint Venture
6	Mukand Sumi Metal Processing Limited	Joint Venture
7	Hospet Steel Limited	Joint Venture



8	Mukand Engineers Limited	Associates
9	Stainless India Limited	Associates
10	Bombay Forgings Limited	Associates

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 paragraphs 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 the followings :
- Note 4(a) to the Statement, relating to exposures in Bombay Forgings Limited ("BFL") aggregating Rs. 94.50 crores (gross) as at June 30, 2019 (Rs. 92.23 crores (gross) as at March 31, 2019). The Management has created a provision of Rs. 48.50 crores (approximately) on this exposure following the expected credit loss principle and, 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 exposure in BFL.
 - Note 4(b) to the Statement, relating to the exposures aggregating Rs. 121.52 crores as at June 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 at Rs 125.71 crores. The final settlement between CDS and the Company is under process. The Management expects to realise its exposure fully.
 - Note 4(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 include Rs 22.94 crores on account of goodwill. This accounting treatment is different from that prescribed under Indian Accounting Standard (IND AS 103)-"Business Combination" for business combinations if entities under common control. Had the accounting treatment prescribed under Ind AS 103 been followed, loss before tax reported for the quarter ended June 30, 2019 would have been lower by Rs. 22.94 crores.

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 reflect total revenues of Rs. 67.18 crores and total profit (including other comprehensive income) after tax of Rs. 4.54 crores for the quarter ended June 30, 2019. The unaudited consolidated financial results also includes the Group's share of net loss (including other comprehensive income) after tax of Rs. 3.02 crores for the quarter ended June 30, 2019 as considered in the unaudited consolidated financial results, in respect of One (1) associate, whose interim financial result has not been reviewed by us. These interim



financial results have been reviewed by other auditors whose report 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 and whose financial statements has been prepared in accordance with accounting principles generally accepted in that country and which has been reviewed by another auditor under generally accepted auditing standards applicable in that country. The Parent management has converted the interim financial information of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent 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 also includes the interim financial results/information of One (1) step down subsidiary which have not been reviewed by their auditor, whose interim financial result/information reflect total revenue of Rs. 2.75 crores and total loss (including other comprehensive income) after tax of Rs. 0.68 Crores for the quarter ended June 30, 2019 as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of loss (including other comprehensive income) after tax of Rs. 1.01 crores for the quarter ended June 30, 2019 as considered in the unaudited consolidated financial results, in respect of two (2) associates based on their interim financial results/information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results/information 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 matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048


Sumant Sakhardande
Partner

Membership No.: 034828

UDIN: 19034828AAAADK8501



Place: Mumbai

Date: August 08, 2019