

Mukand Engineers Limited

Kalwe Works : Thane-Belapur Road,
Post Office Kalwe, Thane, Maharashtra
India 400 605.

Tel : 91 22 2172 7500 / 7700 F : 91 22 2541 0291
E : mel@mukand.com

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

www.mukandengineers.com

CIN L45200MH1987PLC042378

27th June, 2020

1.	BSE Ltd. Department of Corporate Services PhirozeJeejeebhoy Towers, Dalal Street, Mumbai- 400021 Kind Attn: Mr. Sanjeev Kapur, General Manager, Department of Corporate Relations ISIN Code: INE022B01014 BSE Scrip Code: 532097	2.	National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex. Bandra East, Mumbai- 400051 Kind Attn: Mr Hari K., Vice President ISIN Code: INE022B01014 NSE Scrip name: MUKANDENG
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Dear Sir / Madam,

Re: Outcome of board Meeting held on 27th June, 2020.


Pursuant to the Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this is to inform you that the Board of Directors of the Company at their Meeting held on 27th June, 2020, commenced at 10:15 a.m. and concluded at 10:44 a.m. have amongst other matters considered and Approved Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2020 along with Audited report submitted by M/s K.K. Mankeshwar & Co., Statutory Auditors of the Company with unmodified opinion.

Kindly acknowledge the receipt.

Thanking You,

Yours Faithfully,

For **MUKAND ENGINEERS LIMITED**



Dhawal J. Vora

Company Secretary



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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2020

₹ in lakhs

Sr. No.	Particulars	For Quarter Ended			Year Ended	
		31.03.20 Audited	31.12.19 Unaudited	31.03.19 Audited	31.03.20 Audited	31.03.19 Audited
1	Revenue from Operations	877	782	1633	4205	5344
2	Other Income	127	67	97	279	159
3	Total Income (1 + 2)	1,004	849	1,730	4,484	5,503
4	Expenses					
	a) Cost of Materials Consumed	63	41	78	214	247
	b) Sub-Contract Expenses	347	395	979	1482	2,163
	c) Purchase of goods including traded goods	9	5	683	1044	1,939
	d) Changes in Inventories of Finished Goods and Work in Progress	339	275	(320)	975	(480)
	e) Other Contract Execution Costs	36	23	23	142	198
	f) Employee Benefits Expense	340	329	404	1394	1,455
	g) Finance Costs	332	324	263	1265	1,001
	h) Depreciation and Amortisation Expense	18	21	23	84	105
	i) Other Expenses	296	114	294	857	1,057
	j) Loss on Sale of Investment in an Associate Co.	-	46	-	46	-
	Total Expenses	1,780	1,573	2,427	7,503	7,685
5	Profit/(Loss) before exceptional items and tax (3 - 4)	(776)	(724)	(697)	(3,019)	(2,182)
6	Exceptional items	-	-	-	-	81
7	Profit/(Loss) before tax (5 - 6)	(776)	(724)	(697)	(3,019)	(2,263)
8	Tax Expense	(12)	23	(8)	(1)	(49)
	- Current Tax	-	-	-	-	-
	- MAT Credit Entitlement	-	-	-	-	-
	- Deferred Tax	(12)	23	(8)	(1)	(49)
9	Profit/(Loss) after tax (7 - 8)	(764)	(747)	(689)	(3,018)	(2,214)
10	Other Comprehensive Income (net of tax)					
	Items that will not be reclassified to profit or loss	(5)	-	(41)	(141)	(23)
	Total Other Comprehensive Income	(5)	-	(41)	(141)	(23)
11	Total Comprehensive Income/ (Loss) (9 + 10)	(769)	(747)	(730)	(3,159)	(2,237)
12	Paid-up Equity Capital	1,258	1,258	1,258	1,258	1,258
	(Face value of Equity Shares:- Rs.10/- each)					
13	Basic and Diluted EPS (Rs.)	(6.07)	(5.94)	(5.48)	(23.99)	(17.61)
	(* Not Annualised)					



**MUKAND
ENGINEERS**



REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in lakhs

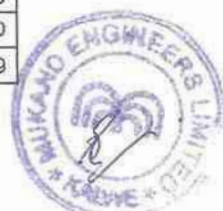
Sr. No.	Particulars	For Quarter Ended			Year Ended	
		31.03.20 Audited	31.12.19 Unaudited	31.03.19 Audited	31.03.20 Audited	31.03.19 Audited
1	SEGMENT REVENUE					
	Engineering Construction	709	614	1,465	3,533	4,671
	Infotech	168	168	168	672	673
	Total	877	782	1,633	4,205	5,344
	Less: Inter Segment Revenue	-	-	-	-	-
	Net Sales /Income from Operations	877	782	1,633	4,205	5,344
2	SEGMENT RESULTS					
	Engineering Construction	(473)	(397)	(423)	(1,850)	(1,404)
	Infotech	84	71	36	281	283
	Total	(389)	(326)	(387)	(1,569)	(1,121)
	Less:					
	i) Interest Expenses (Net)	332	324	263	1,265	1,001
	ii) Other un-allocable expenditure / (income)(Net)	55	74	47	185	141
	Total Profit /(Loss) before Tax	(776)	(724)	(697)	(3,019)	(2,263)
3	CAPITAL EMPLOYED:					
	Segment Asset					
	Engineering Construction	8,222	11,272	13,538	8,222	13,538
	Infotech	234	520	178	234	178
	Unallocable corporate assets	6,603	3,955	3,913	6,603	3,913
	Total	15,059	15,747	17,629	15,059	17,629
	Segment Liabilities					
	Engineering Construction	5,118	4,392	5,934	5,118	5,934
	Infotech	334	61	246	334	246
	Unallocable corporate liabilities	11,067	11,986	9,750	11,067	9,750
	Total	16,519	16,439	15,930	16,519	15,930
	TOTAL CAPITAL EMPLOYED IN THE COMPANY	(1,460)	(692)	1,699	(1,460)	1,699



Audited Statement of Assets and Liabilities as at 31st March 2020

₹ in lakhs

Sr. No.	Particulars	As at	
		31.03.20	31.03.19
		CY	PY
I	ASSETS		
1	Non -Current assets		
	(a) Property, plant and equipment	414	515
	(b) Financial Assets		
	i) Investments	-	376
	ii) Trade receivable	593	421
	iii) Loans	35	15
	iv) Others	391	389
	(d) Deferred tax assets(net)	416	413
	(e) Other non-current assets	2,553	2,406
	Total of non current assets	4,402	4,535
2	Current Assets		
	(a) Inventories	3,980	4,974
	(b) Financial Assets		
	(i) Trade receivables	3,219	4,716
	(ii) Cash and cash equivalents	73	38
	(iii) Bank balances other than (iii) above	97	186
	(iv) Loans	464	25
	(v) Others	2,553	2,836
	(c) Other Current assets	271	319
	Total of current assets	10,657	13,094
	Total assets	15,059	17,629
II	EQUITY AND LIABILITIES		
1	Equity		
	(a) Share capital	1,258	1,258
	(b) Other equity	(2,718)	441
	Total Equity	(1,460)	1,699
2	LIABILITIES		
	Non-Current Liabilities		
	Financial liabilities		
	(i) Borrowings	48	488
	(ii) Trade payables	248	309
	(iii) Other financial Liabilities	4	4
	(iv) Provisions	343	326
	Total of non current liabilities	643	1,127
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	9,674	7,054
	(ii) Trade payables	3,660	4,931
	(iii) Other financial liabilities	1,247	1,665
	(b) Other current liabilities	155	240
	(c) Provision	70	50
	(d) Current tax liabilities(Net)	1,070	863
	Total of Current liabilities	15,876	14,803
	Total Liabilities	16,519	15,930
	Total Equity and Liabilities	15,059	17,629



Mukand Engineers Limited
Statement of Cash Flow for the year ended 31st March, 2020

(Rs. In lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(loss) before tax	(3,019.09)	(2,263.06)
Adjustments for:		
Depreciation and amortisation expense	84.81	104.99
Finance Cost	1,264.57	1,000.67
Profit/(Loss) on sale of investment/ Assets	46.00	(24.50)
Loss on sale / discard of assets	16.71	5.74
Interest Income	(77.07)	(36.08)
Net gain on fair value changes of Preference shares	(0.19)	(0.40)
Operating profit before working capital changes	(1,684.26)	(1,212.64)
Adjustments for:		
(Increase)/Decrease in trade receivables	1,324.77	902.79
(Increase)/Decrease in inventories	993.28	(430.49)
(Increase)/Decrease in loans/bank	88.89	(107.77)
(Increase)/Decrease in other financial asset	295.87	(294.19)
(Increase)/Decrease in other current asset	(98.55)	(255.33)
Increase/(Decrease) in trade payables	(1,333.06)	(28.42)
Increase/(Decrease) in other financial liabilities	(286.78)	91.20
Increase/(Decrease) in provisions	36.94	33.97
Increase/(Decrease) in other current liabilities & others	115.12	(245.80)
Cash generated from operations	(547.78)	(1,546.68)
Income taxes paid	-	-
Net cash inflow from operating activities	(547.78)	(1,546.68)
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflows		
Sale proceeds of Investment	194.71	423.41
Sale proceeds of property, plant and equipment	1.20	1.44
Loans / deposits realised	0.12	0.12
Interest received	62.26	15.42
	258.29	440.39
Outflows		
Loans / deposits given	(459.00)	-
Purchase of property, plant and equipment	(0.37)	(0.70)
Additions to Facilities at Customers Sites	(0.98)	(4.86)
	(460.35)	(5.56)
Net cash outflow from investing activities	(202.06)	434.83



CASH FLOW FROM FINANCING ACTIVITIES:		
Inflows		
Proceeds from long-term borrowings	-	-
Proceeds from short-term borrowings(net)	2,213.66	2,879.89
	2,213.66	2,879.89
Outflows		
Repayment of long-term borrowings	(439.66)	(824.06)
Interest paid	(989.60)	(920.78)
Repayment of short-term borrowings		
	(1,429.26)	(1,744.84)
Net cash inflow (used in) financing activities	784.40	1,135.05
Net increase (decrease) in cash and cash equivalents	34.56	23.20
Cash and cash equivalents at the beginning of the financial year	37.81	14.61
Cash and cash equivalents at end of the year	72.37	37.81
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard(Ind AS 7 statement of cash flows).		



Notes:

1	The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 27th, 2020. The Statutory Auditors of the company have carried out an audit of the aforesaid results and have expressed an unmodified opinion of the same.
2	The Company had filed Company Scheme Petition (merger with Mukand Ltd) seeking sanction of the NCLT, Mumbai bench and the same was admitted by NCLT Special Bench, Mumbai on 23 rd April, 2020. Final hearing on the petition and approval of the Scheme by NCLT is awaited. In view of this the financial statements have been prepared on a going concern basis
3	The Company has incurred a net loss of Rs 3018 lacs(loss after tax) during FY 2019-20 and has accumulated losses amounting to Rs.5039 lacs (loss after tax) as on 31st March, 2020, resulting in erosion of the Net Worth of the Company. However, keeping in mind the ongoing restructuring exercise, it is believed that the business will be able to generate sufficient profits in future to meet its financial obligations, this statement has been prepared using going concern basis of accounting
4	<p>Pursuant to the directives of the Central Government and the respective State Governments, all Establishments/ project sites of the Company had shut down its project operations, from March 25th, 2020. The Company resumed partial service of operations in a phased manner from 11th May 2020, after implementation of standard protocols. The Company has resumed work with restricted labour force in most of its project sites/units. The Company is presently remobilizing the workmen as a significant percentage of the migrant workmen have gone back to their villages.</p> <p>Details of impact of Covid-19 on the Company:</p> <p>While there is a possibility that some of the Company's clients will face financial constraints, there are other clients who want to accelerate the progress with respect to certain critical projects being executed by the Company.</p> <p>Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the business; the Company is confident of fulfilling its obligations under the various existing contracts/arrangements. The delay in completion including the catch-up plans, on account of Covid-19, are under discussions with the clients. The Company has issued force majeure intimations to customers in accordance with the terms of the Contracts. At present, the Company does not foresee any significant impact due to the non-fulfilment of its contractual obligations to the customers or any other counter party arising out of Covid 19 pandemic.</p> <p>The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.</p> <p>Estimation of the future impact of Covid-19 on its operations:</p> <p>The Company has evaluated the impact of Covid – 19 majorly resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers;(ii) revision of estimations of costs to complete the contracts because of additional efforts; (iii) termination or deferment of contracts by customers.</p> <p>With the graded opening of project sites and offices, the Company is making every effort possible to make up for the lost time due to the pandemic. However due to non availability of sufficient skilled workmen, engineers and foreign experts, the Commissioning and Erection work at project sites have been affected. The impact, to the Business & future economic conditions, of the lockdown disruption will have to be assessed from time to time. At this stage, it is premature to forecast the future impact with credibility.</p>
5	Figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year. Figures for the previous quarter/year have been regrouped or reclassified wherever necessary.

For and on behalf of the Board

Place: Mumbai
Date: 27th June 2020



Rajesh V Shah
Chairman
DIN-00021752



**Independent Auditor's Report on Audited Quarterly and Year to Date
Audited Standalone Financial Results of the Company Pursuant to the
Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015, as amended.**

**To,
The Board of Directors,
Mukand Engineers Limited.**

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of **Mukand Engineers Limited ('the Company')** for the quarter and year ended 31st March, 2020 ("Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 the Listing Regulation in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter and year ended 31st March, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Material Uncertainty Related to Going Concern

We draw your attention to Note No. 3 of the Statement, which states that the Company has incurred a net loss of Rs.3,018 lakhs (loss after tax) during the year ending 31st March, 2020 and as of that date, the Company's current liabilities exceeded its total assets by Rs. 817 lakhs and has accumulated losses amounting to Rs.5,039 lakhs (loss after tax), up to 31st March, 2020 resulting in to erosion of the Net Worth of the Company. During the period under review, Fund flow of the Company has been impacted on account of general slow-down in the business, which may also seriously impair Company's financial position. This indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. However, keeping in mind the ongoing restructuring exercise by the Company, it is believed that the business will be able to generate sufficient profits in future to meet its financial obligations, these annual financial results have been prepared using going concern basis of accounting.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to Note No. 4 of the Statement, which describes the uncertainties and the possible effects of Covid-19 pandemic on the operations of the Company.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulation.



GIRISH M. PATHAK

Partner

Membership No. 102016

For and on behalf of

K K MANKESHWAR & CO.

Chartered Accountants

FRN - 106009W

UDIN: 20102016 AAAA AW4362

Mumbai, dated the 27th June, 2020.



Mukand Engineers Limited

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27th June 2020

1.	BSE Ltd. Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400021	2.	National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex. Bandra East, Mumbai- 400051
	Kind Attn: Mr. Sanjeev Kapur, General Manager, Department of Corporate Relations		Kind Attn: Mr Hari K., Vice President
	ISIN Code: INE022B01014 BSE Scrip Code: 532097		ISIN Code: INE022B01014 NSE Scrip name: MUKANDENG

Dear Sir / Madam,

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 K.K. Mankeshwar & Co., Statutory Auditors of the Company have provided the Audit Reports with unmodified opinion for the Annual Audited Financial results of the Company for the financial year ended 31st March 2020.

Thanking You,

Yours Faithfully,

For MUKAND ENGINEERS LIMITED


Rajan Golatkar
Chief Financial Officer

