

**Mukand Ltd.**

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

**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

17<sup>th</sup> May, 2022

1. Department of Corporate Services <b>BSE Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. ISINCODE:INE304A01026 BSE Scrip Code : 500460	2. Listing Department <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai 400051. ISINCODE:INE304A01026 NSE Scrip Name: MUKANDLTD
--	---

Dear Sir(s),

**Sub: Outcome of Board Meeting held on 17<sup>th</sup> May, 2022**

Further to our letter dated May 06, 2022 and in terms of provisions of the Regulation 30 (read with Part A of Schedule III) and 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors at its meeting held today, i.e. May 17, 2022 inter alia, have :

- 1) Considered and approved the Standalone and Consolidated Audited Financial Results the quarter and financial year ended on March 31, 2022;
- 2) Recommended a dividend on 5,626,320 0.01% Cumulative Redeemable Preference Shares (fully redeemed on September 30, 2021) at the rate of 0.01% p.a. per share on redeemable value for FY 2021-22 (proportionate upto September 30, 2021)
- 3) Recommended a dividend on 5,626,320 8% Cumulative Redeemable Preference Shares at the rate of 8% p.a. per share for FY 2021-22 (proportionate on paid up value); and
- 4) Recommended a dividend of Rs 1.50/- per equity share of Rs.10/- each fully paid (i.e.@ 15% per share) for the FY 2021-22.

The dividend, if approved by the shareholders at the forthcoming Annual General Meeting of the Company shall be paid / dispatched to the shareholders, subject to deduction of tax at source, on or before 30 days from the date of AGM.



**Unmodified Opinion** – In terms of second proviso to Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we confirm that Auditors have given Unmodified Opinion on Annual Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2022.

We enclose herewith following :

- a) Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended on March 31, 2022.
- b) Auditor's Report from DHC & Co., Chartered Accountant, on the Audited Standalone and Consolidated Financial Results
- c) Audited Statement of Assets and Liabilities as at March 31, 2022 (Standalone and Consolidated)

The above Results with will also be made available on the Company's website i.e. [www.mukand.com](http://www.mukand.com)

The Meeting commenced at 12.15 noon and concluded at 2:45 p.m.

Kindly take the above on your record

Yours faithfully,

For **Mukand Limited**

  
Rajendra Sawant  
Company Secretary

Encl : As above



CIN L 99999 MH 1937 PLC 002726

**MUKAND LIMITED**

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

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & TWELVE MONTHS ENDED MARCH 31,2022

**Rs. Crore**

Particulars	Quarter ended			Twelve months ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
<b>I TOTAL REVENUE</b>					
a) Sale of Goods & Services	1,315.29	1,316.11	921.71	4,595.08	2,656.05
b) Other Operating Revenue	4.32	6.48	6.68	28.11	24.65
<b>I Revenue from Operations</b>	<b>1,319.61</b>	<b>1,322.59</b>	<b>928.39</b>	<b>4,623.19</b>	<b>2,680.70</b>
<b>II Other Income</b>					
a) Interest Income	3.73	2.82	4.55	15.11	27.64
b) Net Gain on Fair Valuation/Disposal of Investments	(0.04)		4.71	(0.04)	4.82
c) Miscellaneous Income	0.40	22.86	626.56	24.05	634.22
<b>II Other Income</b>	<b>4.09</b>	<b>25.68</b>	<b>635.82</b>	<b>39.12</b>	<b>666.68</b>
<b>III Total Revenue I+II</b>	<b>1,323.70</b>	<b>1,348.27</b>	<b>1,564.21</b>	<b>4,662.31</b>	<b>3,347.38</b>
<b>IV EXPENSES</b>					
a) Cost of materials consumed	921.07	929.78	615.46	3,105.27	1,581.16
b) Purchase of Stock in Trade		2.38	1.00	2.47	1.00
c) Changes in inventories of finished goods and work-in-progress	(92.64)	(77.57)	184.57	(212.51)	249.20
d) Employee benefits expense	45.85	49.88	51.04	190.31	188.74
e) Finance Costs	37.39	32.67	55.28	132.04	307.02
f) Depreciation	11.10	11.16	12.34	44.78	68.52
g) Stores, Spares Components, Tools etc. consumed	177.06	168.08	112.38	601.18	352.37
h) Other Expenditure	191.26	183.72	155.37	699.39	512.84
i) Expenditure transferred to Capital Account / Capital Work-in-Progress	(3.61)	(1.91)	(0.47)	(6.32)	(1.26)
<b>IV Total Expenses</b>	<b>1,287.48</b>	<b>1,298.19</b>	<b>1,186.97</b>	<b>4,556.61</b>	<b>3,259.59</b>
<b>V Profit before tax (III-IV)</b>	<b>36.22</b>	<b>50.08</b>	<b>377.24</b>	<b>105.70</b>	<b>87.79</b>
<b>VI Tax Expense</b>					
Excess/ (Short) Provision for tax for earlier years (net)					(10.57)
Provision for Current Tax					
Deferred Tax (Charge) / Credit	14.01	(6.77)	(149.38)	16.42	(31.22)
<b>Total Tax</b>	<b>14.01</b>	<b>(6.77)</b>	<b>(149.38)</b>	<b>16.42</b>	<b>(41.79)</b>
<b>VII Profit for the period/year</b>	<b>50.23</b>	<b>43.31</b>	<b>227.86</b>	<b>122.12</b>	<b>46.00</b>
<b>VIII Other Comprehensive Income</b>					
Items that will not be reclassified to Profit or loss-					
a) Actuarial Gain/(Loss) on defined benefit obligations	(2.98)	0.30	(5.23)	(2.08)	(4.43)
b) Net Gains/(Loss) on Fair Value changes of Equity Instruments	(0.04)	(0.92)	(3.36)	(0.96)	(3.36)
c) Deferred Tax (Charge)/Credit on above	0.76	0.11	2.26	0.72	2.07
<b>Net</b>	<b>(2.26)</b>	<b>(0.51)</b>	<b>(6.33)</b>	<b>(2.32)</b>	<b>(5.72)</b>
<b>IX Total Comprehensive Income (VII+VIII)</b>	<b>47.97</b>	<b>42.80</b>	<b>221.53</b>	<b>119.80</b>	<b>40.28</b>
<b>X Paid-up equity share capital - Face value Rs.10/- per Share</b>	<b>141.42</b>	<b>141.42</b>	<b>141.42</b>	<b>141.42</b>	<b>141.42</b>
<b>XI Reserves (excluding Revaluation Reserve)</b>				<b>861.58</b>	<b>755.91</b>
<b>XII Earnings per Share of Rs.10/- each Basic &amp; Diluted (for continued and discontinued operations) (not annualised for the quarters)</b>					
Basic and Diluted EPS (in Rs.)	3.55	3.06	16.11	8.64	3.25



	Quarter ended			Twelve months ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
<b>SEGMENT REVENUE</b>					
1) Specialty Steel	1,303.07	1,291.11	1,545.62	4,530.44	3,281.87
2) Industrial Machinery & Engineering Contracts	21.03	34.36	9.02	100.34	26.52
Sub-total	1,324.10	1,325.47	1,554.64	4,630.78	3,308.39
Less : Inter Segment Revenue	(4.49)	(2.88)	(0.07)	(7.59)	(1.51)
<b>Total Segment Revenue</b>	<b>1,319.61</b>	<b>1,322.59</b>	<b>1,554.57</b>	<b>4,623.19</b>	<b>3,306.88</b>
<b>SEGMENT RESULT</b>					
1) Specialty Steel	79.80	63.80	442.27	235.53	420.31
2) Industrial Machinery & Engineering Contracts	(7.32)	(3.97)	(14.69)	(27.19)	(57.88)
Less : Inter segment margin	(0.76)	(0.48)	(0.09)	(1.26)	(0.25)
<b>Total Segment Result</b>	<b>71.72</b>	<b>59.35</b>	<b>427.49</b>	<b>207.08</b>	<b>362.18</b>
Add / (Less) :					
Other net un-allocable :					
Interest Income	3.73	2.82	4.55	15.11	27.64
Income	0.36	22.87	5.09	24.01	12.86
Expenditure	(2.20)	(2.29)	(4.61)	(8.46)	(7.87)
Other net un-allocable (expenditure) / income	1.89	23.40	5.03	30.66	32.63
<b>Profit / (Loss) before Finance costs</b>	<b>73.61</b>	<b>82.75</b>	<b>432.52</b>	<b>237.74</b>	<b>394.81</b>
Less : Finance costs	37.39	32.67	55.28	132.04	307.02
<b>Profit / (Loss) before tax</b>	<b>36.22</b>	<b>50.08</b>	<b>377.24</b>	<b>105.70</b>	<b>87.79</b>
<b>SEGMENT ASSETS / LIABILITIES</b>					
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>A Segment Assets</b>					
1) Specialty Steel	2,761.23	2,682.59	2,118.29	2,761.23	2,118.29
2) Industrial Machinery & Engineering Contracts	301.37	308.35	297.61	301.37	297.61
3) Corporate - Unallocable	478.70	473.82	960.80	478.70	960.80
	<b>3,541.30</b>	<b>3,464.76</b>	<b>3,376.70</b>	<b>3,541.30</b>	<b>3,376.70</b>
<b>B Segment Liabilities</b>					
1) Specialty Steel	679.64	670.65	576.98	679.64	576.98
2) Industrial Machinery & Engineering Contracts	52.86	66.34	42.58	52.86	42.58
3) Corporate - Unallocable	1,805.80	1,772.75	1,859.81	1,805.80	1,859.81
	<b>2,538.30</b>	<b>2,509.74</b>	<b>2,479.37</b>	<b>2,538.30</b>	<b>2,479.37</b>
<b>Total Net Capital Employed</b>	<b>1,003.00</b>	<b>955.02</b>	<b>897.33</b>	<b>1,003.00</b>	<b>897.33</b>



**MUKAND LIMITED**
**Rs. Crore**

Statement of Assets and Liabilities as on		31-Mar-22	31-Mar-21
		Audited	Audited
<b>I</b>	<b>Assets</b>		
<b>(A)</b>	<b>Non Current Assets</b>		
<b>(1)</b>	<b>Property Plant &amp; Equipment, Capital Work in Progress &amp; Intangible Assets</b>		
a)	Property Plant & Equipment	461.39	424.47
b)	Capital Work in Progress	31.61	26.13
c)	Right of Use Assets	15.12	15.31
d)	Intangible assets	4.67	6.94
e)	Intangible assets under Implementation		
		512.79	472.85
<b>(2)</b>	<b>Financial Assets</b>		
a)	Non Current Investments	205.63	205.67
b)	Other Non-Current Financial Assets	25.23	23.04
		230.86	228.71
<b>(3)</b>	Deferred tax Assets *	6.17	
<b>(4)</b>	Income Tax Assets	36.07	23.25
<b>(5)</b>	Other non-current assets	42.34	40.24
		84.58	63.49
	<b>Total (A)</b>	<b>828.23</b>	<b>765.05</b>
<b>(B)</b>	<b>Current Assets</b>		
<b>(1)</b>	Inventories	1,441.59	1,111.11
<b>(2)</b>	<b>Financial Assets</b>		
a)	Current Investments	1.06	509.61
b)	Trade Receivables	480.41	516.61
c)	Cash & Cash Equivalents and Other Bank Balances		
i)	Cash & Cash Equivalents	40.78	19.85
ii)	Bank Balances Other than (i) above	167.46	16.14
		208.24	35.99
d)	Short term loans	131.61	147.26
e)	Other Financial Assets	148.16	158.60
		279.77	305.86
<b>(3)</b>	Other current assets	194.15	132.47
<b>(4)</b>	Assets Held for Sale	107.85	
	<b>Total (B)</b>	<b>2,713.07</b>	<b>2,611.65</b>
	<b>TOTAL ASSETS</b>	<b>3,541.30</b>	<b>3,376.70</b>



<b>MUKAND LIMITED</b>		<b>Rs. Crore</b>	
<b>Statement of Assets and Liabilities as on</b>		<b>31-Mar-22</b>	<b>31-Mar-21</b>
		Audited	Audited
<b>II. EQUITY AND LIABILITIES</b>			
<b>II.1 Equity</b>			
a)	Share Capital	141.42	141.42
b)	Other Equity	861.58	755.91
		<b>1,003.00</b>	<b>897.33</b>
<b>II.2 Liabilities</b>			
<b>A Non Current Liabilities</b>			
<b>(1) Financial Liabilities</b>			
a)	Borrowings	691.63	1,735.41
b)	Other Financial liabilities	0.25	0.25
		691.88	1,735.66
(2)	Provisions	37.52	37.41
(3)	Deferred tax Liabilities		10.97
	<b>Total (A)</b>	<b>729.40</b>	<b>1,784.04</b>
<b>(B) Current Liabilities</b>			
<b>(1) Financial Liabilities</b>			
a)	Short Term Borrowings	1,072.71	85.80
b)	Trade Payables due to Micro Enterprises and Small Enterprises Other than Micro Enterprises and Small Enterprises	14.58 480.91	17.56 410.68
	Sub-total (b)	495.49	428.24
c)	Other Financial Liabilities	18.89	35.36
	<b>Total (1)</b>	<b>1,587.09</b>	<b>549.40</b>
(2)	Other Current Liabilities	211.67	135.06
(3)	Short Term provisions	10.14	10.87
	<b>Total (B)</b>	<b>1,808.90</b>	<b>695.33</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,541.30</b>	<b>3,376.70</b>



MUKAND LTD

	CASH FLOW STATEMENT FOR	Rs Crore	
		Year ended	Year ended
		31-Mar-22	31-Mar-21
		Audited	Audited
<b>A</b>	<b>Cash Flow arising from Operating Activities</b>		
	Profit / (Loss) before Tax & Other Comprehensive income	105.70	87.79
	<b>Add back :</b>		
	(1) Depreciation	44.78	68.52
	(2) Other Non-cash Expenditure/(Income) -(net)	(0.43)	2.57
	(3) Interest / Lease Charges (net)	116.93	279.38
	(4) Actuarial Gain on defined benefit obligations	(2.08)	(4.43)
		159.20	346.04
		264.90	433.83
	<b>Deduct :</b>		
	(1) Investment Income	0.00	6.60
	(2) Surplus/(Loss) on sale of assets -(net)	22.11	626.28
		22.11	632.88
	Operating Profit before Working Capital changes	242.79	(199.05)
	<b>Adjustments for Working Capital Changes</b>		
	(1) (Increase)/Decrease in Trade Receivables	25.80	(104.94)
	(2) (Increase)/Decrease in Other Non Current Financial Assets	(2.19)	(7.59)
	(3) (Increase)/Decrease in Other Non Current Assets	(2.10)	26.77
	(4) (Increase)/Decrease in Short Term Loans	15.65	(37.76)
	(5) (Increase)/Decrease in Current Financial Assets Others	23.00	30.30
	(6) (Increase)/Decrease in Other Current Assets	(61.70)	8.97
	(7) (Increase)/Decrease in Unpaid Dividend, Margin Money & Deposits	(151.32)	49.92
	(8) (Increase)/Decrease in Inventories	(330.47)	256.35
	(9) Increase/(Decrease) in Trade Payables	67.40	(340.92)
	(10) Increase/(Decrease) in Current Financial Liabilities Others	(13.82)	92.64
	(11) Increase/(Decrease) in Other Current Liabilities	76.61	22.39
	(12) Increase/(Decrease) in Non Current Financial Liabilities Others	0.00	0.25
	Net (Increase) / Decrease Working Capital changes	(353.14)	(3.62)
	<b>Cash Flow from Operations</b>	(110.35)	(202.67)
	<b>Add / (Less) : Direct taxes Refund / (Paid) (net of refunds)</b>	(12.82)	16.75
	<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	(123.17)	(185.92)



MUKAND LTD			
CASH FLOW STATEMENT FOR		Year ended	Year ended
		31-Mar-22	31-Mar-21
		Audited	Audited
		Rs Crore	Rs Crore
<b>B</b>	<b>Cash Flow arising from Investing Activities</b>		
	<b>Inflow</b>		
	(1) Sale of Fixed Assets	24.37	646.41
	(2) Dividends received	0.00	6.60
	(3) Decrease in Loans to Subsidiaries	0.00	0.10
	(4) Sale of Investments	507.59	714.81
		531.96	1,367.92
	<b>Deduct Outflow</b>		
	(1) Acquisition of Fixed Assets	194.41	15.36
		194.41	15.36
	<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>337.55</b>	<b>1,352.56</b>
<b>C</b>	<b>Cash Flow arising from Financing Activities</b>		
	<b>Inflow</b>		
	(1) Proceeds from issue of Preference Share Capital	3.38	1.13
		3.38	1.13
	<b>Deduct Outflow</b>		
	(1) Decrease in Term Loans - (net)	0.00	253.46
	(2) Decrease in Working Capital Loans from Banks - (net)	4.50	358.85
	(3) Decrease in Unsecured Loans	54.17	181.75
	(4) Redemption of Preference Share Capital	3.38	1.13
	(5) Dividends paid	14.09	0.00
	(6) Interest / Lease charges - (net)	120.69	323.81
	(7) Payment towards Liability against Right of Use Assets	0.00	29.84
		196.83	1,148.84
	<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(193.45)</b>	<b>(1,147.71)</b>
	<b>Net Increase / (Decrease) in Cash/Cash Equivalents</b>	<b>20.93</b>	<b>18.93</b>
	Add : Balance at the beginning of the year	19.85	0.92
	<b>Cash/Cash Equivalents at the close of the year</b>	<b>40.78</b>	<b>19.85</b>



## Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 17<sup>th</sup> May 2022.
2. The second COVID-19 wave posed a downside risk to economic activity in the first quarter of the year in progress. Its impact was muted compared with that of the first wave a year ago. Management expects that considering the nature of its business operations, existing customer and supplier relationships, impact on its business operations, if any, arising from COVID-19 pandemic may not be significant in the long run and would be able to recover carrying amount of all its assets as appearing in the financial statements and meet its entire financial obligations in the near future. The impact of COVID 19 pandemic may be different from that estimated as at the date of approval of these financial results. The Management will continue to monitor any material changes to future economic conditions.
3. Petitions filed with National Company Law Tribunal (NCLT) for Scheme of amalgamation between Adore Traders and Realtors Private Limited, a wholly owned subsidiary of Mukand Global Finance Limited with the parent company MGFL, followed by the amalgamation of MGFL and Mukand Engineers Limited with the Company has been approved by NCLT after close of the year on April 29, 2022. The Scheme shall be effective from the appointed date April 1, 2019 on receipt of certified copy of NCLT order and filing the same with Registrar of Companies. Therefore, the above results do not include effect of amalgamation of these Companies.

#### 4. **Monetization of assets:**

During the quarter under report, Company has executed an Agreement for Sale (AFS) on March 2, 2022, of land of the Company admeasuring approx. 47 acres situated at Kalwe and Dighe, in Thane district for a consideration of Rs. 806.14 crore. Of this, part consideration of Rs.161.23 crore, (being a sum equivalent to 20% of the sale consideration) has been deposited by the purchaser as earnest money deposit, in an escrow account. The aforesaid sale is subject to fulfilment of certain conditions precedent by the parties. Amount realized from above disposal will be mainly utilized to repay debt / other interest-bearing liabilities and this will entail substantial reduction in the yearly interest costs. As at the March 31, 2022 the carrying value of the said land (including capitalized value of improvement) of Rs.106.17 crore is shown as 'Assets held for Sale' in accordance with Ind AS-105.

Similarly, Company has executed a Conditional Agreement for Sale of a residential flat at Mumbai on December 10, 2021 for a consideration of Rs.15 crore. Of this, part consideration of Rs.1.50 crore (being a sum equivalent to 10% of the sale consideration) has been received by the Company as an Earnest Money Deposit. As at the March 31, 2022 the carrying value of the said flat of Rs.1.68 crore is shown as 'Assets held for Sale' in accordance with Ind AS-105.

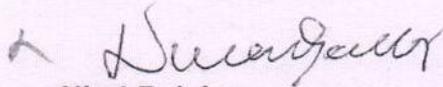


5. Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2022:

The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs 16.54 Crore (net of amounts written off / provision for expected credit loss) as at 31st March 2022 as against Rs.31.57 Crore (net of amounts written off) as at 31st March 2021. The management, considering the value of unencumbered fixed assets of BFL, considers the balance dues to be 'Good' and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.

6. The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year, which were subjected to Limited Review.
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

Place : Mumbai

Date : May 17, 2022.



**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of Mukand Limited**

**Report on the Audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying standalone annual financial results of **Mukand Limited** ("the Company") for the year ended March 31, 2022 ("the 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 aforesaid Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations 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 net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2022.

**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 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to the following matters in the notes to the Statement:

1. Note 2 to the Statement, which explains the management evaluation on the impact of COVID-19 pandemic situation on the operational and financial position of the Company which is further dependent upon the circumstances as they evolve in the subsequent period.
2. Note 5 to the Statement, relating to exposures in Bombay Forging Limited ("BFL") aggregating Rs.16.54 crores (net of ECL Provision) as at March 31, 2022. The management, barring any significant uncertainties in future, has considered the value of unencumbered fixed assets and current assets of BFL for the balance portion of exposure in BFL.

Our opinion is not modified in respect of these matters.



### **Board of Directors' Responsibility for the Standalone Financial Results**

This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the 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 is 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 Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are 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 this 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)(i) 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 the 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



## DHC & Co. Chartered Accountants

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 Statement 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 represent 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, 2022, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For DHC & Co.  
Chartered Accountants  
ICAI Firm Registration No.103525W



Atul Paliwal

Partner  
Membership No. 401969  
UDIN: 22401969AJCLUF8443



Place: Jaipur  
Date: May 17, 2022



## MUKAND LIMITED

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

CIN : L99999MH1937PLC002726

### Statement of Audited Consolidated Financial Results for the quarter & year ended March 31, 2022

Rs. In Crore

Particulars	Quarter ended			Year ended	Year ended
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
I. Revenue from Operations	1,328.39	1,323.71	923.60	4,636.66	2,725.99
II. Other income	0.54	22.18	638.76	101.01	721.06
III. Interest Income	3.84	2.52	(2.03)	14.71	27.35
IV. Total Revenue (I + II + III)	1,332.77	1,348.41	1,560.33	4,752.38	3,474.40
V. Expenses:					
(a) Cost of materials consumed	921.07	929.78	619.02	3,105.27	1,580.71
(b) Purchases of Stock-in-Trade	1.82	2.37	(1.12)	4.29	35.30
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(92.64)	(77.58)	184.57	(212.51)	249.20
(d) Employee benefits expense	45.96	50.22	51.65	191.33	190.31
(e) Finance costs	44.33	39.63	59.25	160.55	332.41
(f) Depreciation and amortization expense	11.10	11.16	12.34	44.78	68.52
(g) Stores, Spares, Components, Tools, etc. consumed	177.06	168.08	112.38	601.18	352.37
(h) Other Expenses	191.16	183.86	407.46	699.70	768.13
(i) Expenditure transferred to Capital Accounts / Capital Work-in-Progress	(3.61)	(1.91)	(0.47)	(6.32)	(1.26)
Total expenses	1,296.25	1,305.61	1,445.08	4,588.27	3,575.69
VI. Profit/(loss) before exceptional items and tax (IV-V)	36.52	42.80	115.25	164.11	(101.29)
Less : Exceptional Items(net)	-	-	-	-	-
VII. Profit/(loss) before tax and Share in Profits of Associates and Joint Ventures	36.52	42.80	115.25	164.11	(101.29)
Add: Share in Profits/(Loss) of Associates and Joint Ventures	(2.44)	(0.61)	(25.73)	(2.11)	(53.42)
VIII. Profit/(loss) before tax	34.08	42.19	89.52	162.00	(154.71)
IX. Tax expense:					
Current tax	-	-	0.71	-	-
MAT credit entitlement	-	-	-	-	-
Deferred Tax (Charge) / Credit	13.55	(7.13)	(151.61)	15.42	(38.50)
Excess / (Short) provision for tax in respect of earlier years	-	-	-	-	(10.57)
Total Tax Expense	13.55	(7.13)	(150.90)	15.42	(49.07)
Profit/(Loss) for the period/year before tax adjustments pertaining to earlier years	47.63	35.06	(61.38)	177.42	(203.78)
Tax adjustments due to reversal of Deferred Tax credit taken in earlier years on account of lapsing of business loss	-	-	-	-	-
X. Profit/(Loss) for the period/year (VIII-IX)	47.63	35.06	(61.38)	177.42	(203.78)
XI. Other Comprehensive income (net)					
1 Items that will not be reclassified to Statement of Profit or Loss :-					
Actuarial Gain on Employee defined benefit funds	(2.97)	0.30	(5.23)	(2.07)	(4.43)
Net gains on Fair value changes of Equity Instruments	-	-	-	-	-
Less : Deferred tax on above	0.75	(0.08)	1.31	0.52	1.12
Share of other comprehensive income of Associates & Joint ventures accounted for using the equity method	(0.08)	-	(0.42)	(0.09)	(0.43)
2 Items that will be reclassified to Statement of Profit or Loss :-					
Exchange Fluctuation on Translating Foreign Operations	0.01	0.01	-	0.16	(0.60)
Total Other Comprehensive income (net)	(2.29)	0.23	(4.34)	(1.48)	(4.34)
XII. Total Comprehensive Income (X+XI)	45.34	35.29	(65.72)	175.94	(208.12)
XIII. Paid-up equity share capital - Face value Rs. 10/- per share	141.42	141.42	141.42	141.42	141.42
XIV. Reserves excluding Revaluation Reserves	-	-	-	482.94	321.12
XV. Earning per share - Face value Rs. 10/- per share					
Basic and diluted earnings per share (in Rs.)	3.37	2.48	(4.34)	12.55	(14.41)



Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Segment Revenue</b>					
	Specialty Steel	1,303.08	1,291.10	1,547.59	4,530.44	3,319.44
	Industrial Machinery & Engineering Contracts	21.03	34.36	9.02	100.34	26.52
	Others	8.78	1.12	(6.77)	13.47	7.72
	Less : Inter Segment Revenue	(4.50)	(2.87)	(0.06)	(7.59)	(1.51)
	<b>Total Segment Revenue</b>	<b>1,328.39</b>	<b>1,323.71</b>	<b>1,549.78</b>	<b>4,636.66</b>	<b>3,352.17</b>
2	<b>Segment Result</b>					
	Specialty Steel	79.73	63.94	352.27	235.53	330.34
	Industrial Machinery & Engineering Contracts	(7.32)	(3.97)	(14.69)	(27.19)	(57.88)
	Others	3.50	(3.08)	(211.85)	(4.81)	(210.73)
	Less : Inter Segment Revenue	(0.76)	(0.48)	(0.09)	(1.26)	(0.25)
	<b>Total Segment Result</b>	<b>75.15</b>	<b>56.41</b>	<b>125.64</b>	<b>202.27</b>	<b>61.48</b>
	Add : Interest Income	3.85	2.52	(2.03)	14.71	27.35
	Other Income	0.54	22.16	12.58	101.00	94.88
	Share in Profits/(Loss) of Associates and Joint Ventures	(2.44)	(0.61)	(25.73)	(2.11)	(53.42)
	Less : Unallocable Expenditure	(2.21)	(2.28)	35.89	(8.46)	32.63
	<b>Profit / (Loss) before Finance costs</b>	<b>74.89</b>	<b>78.20</b>	<b>146.35</b>	<b>307.41</b>	<b>162.92</b>
	Less : Finance Costs	(40.81)	(36.01)	(56.83)	(145.41)	(317.63)
	<b>Profit / (Loss) before Tax</b>	<b>34.08</b>	<b>42.19</b>	<b>89.52</b>	<b>162.00</b>	<b>(154.71)</b>
3	<b>Segment Assets / Liabilities</b>	<b>As at</b>				
		<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
(i)	<b>Segment Assets</b>					
	Specialty Steel	2,755.88	2,681.10	2,120.52	2,755.88	2,120.52
	Industrial Machinery & Engineering Contracts	301.37	308.35	294.22	301.37	294.22
	Others	6.19	3.25	29.44	6.19	29.44
	Un-allocated Assets	404.76	398.43	793.16	404.76	793.16
	<b>Total Assets</b>	<b>3,468.20</b>	<b>3,391.13</b>	<b>3,237.34</b>	<b>3,468.20</b>	<b>3,237.34</b>
(ii)	<b>Segment Liabilities</b>					
	Specialty Steel	674.29	670.35	582.08	674.29	582.08
	Industrial Machinery & Engineering Contracts	52.86	66.34	39.42	52.86	39.42
	Others	146.41	146.16	166.31	146.41	166.31
	Un-allocated Liabilities	1,970.28	1,929.28	1,986.99	1,970.28	1,986.99
	<b>Total Liabilities</b>	<b>2,843.84</b>	<b>2,812.13</b>	<b>2,774.80</b>	<b>2,843.84</b>	<b>2,774.80</b>
4	<b>Total Net Capital Employed</b>	<b>624.36</b>	<b>579.00</b>	<b>462.54</b>	<b>624.36</b>	<b>462.54</b>



**MUKAND LIMITED**

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

CIN : L99999MH1937PLC002726

**Audited Consolidated Balance Sheet as at March 31, 2022**

Rs. In Crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Audited	Audited
<b>I ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	461.42	424.49
(b) Capital work-in-progress	31.61	26.13
(c) Intangible assets	4.67	6.94
(d) Intangible assets under Implementation	-	-
(e) Right of Use Assets	15.12	15.31
(f) Investment in Joint Ventures and Associates	101.89	105.87
(g) Financial Assets		
i) Investments	1.13	0.84
ii) Other financial assets	25.24	23.04
(h) Deferred tax assets(net)	6.17	0.40
(i) Income Tax Assets (net)	36.20	23.80
(j) Other non-current assets	42.34	40.24
<b>Total Non-current assets</b>	<b>725.79</b>	<b>667.06</b>
<b>2 Current Assets</b>		
(a) Inventories	1,441.61	1,111.13
(b) Financial Assets		
i) Trade receivables	480.41	517.13
ii) Cash and cash equivalents	42.01	29.88
iii) Bank balances other than (ii) above	167.46	16.48
iv) Loans	159.62	181.82
v) Other financial assets	147.90	159.06
vi) Investment in Joint Venture	-	421.31
(c) Income Tax Assets (net)	-	-
(d) Other current assets	195.55	133.47
(e) Asste held for Sale	107.85	-
<b>Total Current assets</b>	<b>2,742.41</b>	<b>2,570.28</b>
<b>Total Assets</b>	<b>3,468.20</b>	<b>3,237.34</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Share capital	141.42	141.42
(b) Other equity	482.94	321.12
<b>Total Equity</b>	<b>624.36</b>	<b>462.54</b>
<b>LIABILITIES</b>		
<b>1 Non-Current Liabilities</b>		
(a) Financial liabilities		
i) Borrowings	885.70	1,763.49
ii) Other financial liabilities	0.25	0.25
(b) Provisions	37.56	38.70
(c) Deferred tax liabilities (Net)	15.48	25.65
(d) Other non-current liabilities	-	-
<b>Total Non-current liabilities</b>	<b>938.99</b>	<b>1,828.09</b>
<b>2 Current liabilities</b>		
(a) Financial liabilities		
i) Borrowings	1,145.73	310.65
ii) Trade payables due to :		
Micro and Small Enterprises	14.58	17.56
Other than Micro and Small Enterprises	480.91	410.62
iii) Other financial liabilities	39.74	60.09
(b) Other current liabilities	213.75	136.92
(c) Provisions	10.14	10.87
(d) Current tax liabilities(Net)	-	-
<b>Total Current liabilities</b>	<b>1,904.85</b>	<b>946.71</b>
<b>Total Equity and Liabilities</b>	<b>3,468.20</b>	<b>3,237.34</b>



## Statement of Consolidated Cash flow for the year ended March 31, 2022

Rs. In Crore

Particulars	For the year ended		For the year ended	
	31-03-2022		31-03-2021	
	Audited		Audited	
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before exceptional items and tax		164.11		(101.29)
<i>Adjustments for:</i>				
Depreciation/amortisation/Impairment	44.78		68.52	
Surplus on account of sale of Assets/Land	(22.60)		(626.94)	
Loss on sale of assets	0.50		0.67	
Net gains on Fair value changes/Disposal of Equity Instruments	(76.74)		(93.43)	
Interest expense (Net)	145.84		305.06	
Dividend Income	(0.01)		-	
Credit balances appropriated	-		(0.72)	
Excess provisions written back (net)	(8.16)		(11.15)	
Other Non Cash Items (net)	0.34		261.29	
Provision for warranty costs	0.58		0.28	
Provision for Long Term & Short Term Employee Benefits	(2.45)		4.56	
Loss on variation in foreign exchange rate (net)	(3.76)	78.32	(1.86)	(93.72)
<b>Cash Generated from operations before working capital changes</b>		<b>242.43</b>		<b>(195.01)</b>
<i>Adjustments for:</i>				
(Increase)/decrease in inventories	(330.48)		256.31	
(Increase)/Decrease in trade receivables	41.15		(358.85)	
(Increase)/Decrease in other non-current & current financial assets	(142.63)		227.18	
(Increase)/Decrease in other non-current & current assets	(64.18)		32.52	
Increase/(Decrease) in trade payables	75.47		(321.71)	
Increase/(Decrease) in other non-current & current financial liabilities	24.14		(0.55)	
Increase/(Decrease) in other non-current & current liabilities	76.74		16.79	
Increase/(Decrease) in non-current & Current provisions	(2.07)	(321.86)	(4.43)	(152.74)
<b>Cash generated from operations</b>		<b>(79.43)</b>		<b>(347.75)</b>
Taxes paid (net of refunds)		(12.40)		19.29
<b>Net cash (used in) / generated from operating activities - [A]</b>		<b>(91.83)</b>		<b>(328.46)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Property, Plant & Equipment	(231.09)		(6.41)	
Sale proceeds of Property, Plant & Equipment	32.89		637.06	
Sale of Investments	498.59		714.81	
Dividend Income	0.01		-	
<b>Net cash (used in) / generated from investing activities - [B]</b>		<b>300.40</b>		<b>1,345.46</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issue of Preference Shares	3.38		1.13	
Dividend Paid	(14.09)			
Payment towards part redemption of Preference Shares	(3.38)		(1.13)	
Increase/(Decrease) in working capital loans from bank	(4.50)		(358.86)	
Increase/(Decrease) in other unsecured loans (net)	(57.30)		(97.00)	
Increase/(Decrease) in Term loans (Net)	-		(223.52)	
Increase/(Decrease) in Fixed Deposits taken	16.29		(0.37)	
Payment towards Liability against Right to Use Assets	-		(27.49)	
Interest paid/Expenses related to issue of shares	(136.84)		(289.87)	
<b>Net cash (used in) / generated from financing activities - [C]</b>		<b>(196.44)</b>		<b>(997.11)</b>
<b>Net increase/(decrease) in cash and cash equivalents - [A+B+C]</b>		<b>12.13</b>		<b>19.89</b>
<b>Add: Cash and cash equivalents at the beginning of the year</b>		<b>29.88</b>		<b>9.99</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>42.01</b>		<b>29.88</b>



**Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 17th May 2022.
2. The second COVID-19 wave poses a downside risk to economic activity in the first quarter of the year in progress. Its impact is expected to be muted compared with that of the first wave a year ago. Management expects that considering the nature of its business operations, existing customer and supplier relationships, impact on its business operations, if any, arising from COVID -19 pandemic may not be significant in the long run and would be able to recover carrying amount of all its assets as appearing in the financial statements and meet its entire financial obligations in the near future. The impact of COVID 19 pandemic may be different from that estimated as at the date of approval of these financial results. The Management will continue to monitor any material changes to future economic conditions.
3. Petitions filed with National Company Law Tribunal (NCLT) for Scheme of amalgamation between Adore Traders and Realtors Private Limited, a wholly owned subsidiary of Mukand Global Finance Limited with the parent company MGFL, followed by the amalgamation of MGFL and Mukand Engineers Limited with the Company has been approved by NCLT after close of the year on April 29, 2022. The Scheme shall be effective from the appointed date April 1, 2019 on receipt of certified copy of NCLT order and filing the same with Registrar of Companies. Therefore, the above results do not include effect of amalgamation of these Companies.

4. **Monetization of assets:**

During the quarter under report, Company has executed an Agreement for Sale (AFS) on March 2, 2022, of land of the Company admeasuring approx. 47 acres situated at Kalwe and Dighe, in Thane district for a consideration of Rs. 806.14 crore. Of this, part consideration of Rs.161.23 crore, (being a sum equivalent to 20% of the sale consideration) has been deposited by the purchaser as earnest money deposit, in an escrow account. The aforesaid sale is subject to fulfilment of certain conditions precedent by the parties. Amount realized from above disposal will be mainly utilized to repay debt / other interest-bearing liabilities and this will entail substantial reduction in the yearly interest costs. As at the March 31, 2022 the carrying value of the said land (including capitalized value of improvement) is shown at Rs.106.17 crore is shown as 'Assets held for Sale' in accordance with Ind AS-105.

Similarly, Company has executed a Conditional Agreement for Sale of a residential flat at Mumbai on December 10, 2021 for a consideration of Rs.15 crore. Of this, part consideration of Rs.1.50 crore (being a sum equivalent to 10% of the sale consideration) has been received by the Company as an Earnest Money Deposit. As at the March 31, 2022 the carrying value of the said flat is shown at Rs.1.68 crore is shown as 'Assets held for Sale' in accordance with Ind AS-105.

5. Management's response to the observations of the auditors on the financial statements for the year ended 31<sup>st</sup> March 2022:
  - a. The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs.16.54 Crore (net of amounts written off / provided) as at 31<sup>st</sup> March 2022 as against Rs. 31.57 Crore (net of amounts written off) as at 31<sup>st</sup> March 2021. The management, considering the value of unencumbered fixed assets of BFL, considers the balance dues to be 'Good' and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.

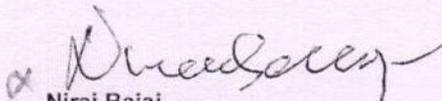


- b. In accordance with the Scheme of Amalgamation as sanctioned by the NCLT, Mukand Sumi Special Steel Ltd., a joint venture (upto 30<sup>th</sup> April, 2021), has recognized goodwill on amalgamation amounting to Rs. 1,834.84 Crore which is amortized over its useful life. Depreciation and amortization charge upto date of sale of investments of the Company in MSSSL, i.e., 30<sup>th</sup> April, 2021 on this account is Rs. 7.54 Crore. 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.
6. The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year, which were subjected to Limited Review
7. As regards Mukand Engineers Ltd (MEL), an associate company, petitions filed with National Company Law Tribunal (NCLT) for Scheme of amalgamation of Mukand Engineers Limited with the Company has been approved by NCLT after close of the year on April 29, 2022. The Scheme shall be effective from the appointed date April 1, 2019 on receipt of certified copy of NCLT order and filing the same with Registrar of Companies. On implementation of the Scheme, the MEL will cease to exist and all the assets and liabilities of the MEL will be transferred to Mukand Limited w.e.f. the Appointed Date on a going concern basis without any further act, instrument, deed, matter or thing by virtue of and in the manner provided in the Scheme. In view of this the financial statements of MEL have been prepared on a going concern basis. The statutory Auditor of MEL have referred this note as a matter of emphasis in its report on the results for the year ended 31<sup>st</sup> March 2022.

The Board of Directors of Mukand Sumi Metal Processing Limited (MSMPL) a joint venture, and Mukand Sumi Special Steel Limited (MSSSL) have approved demerger of alloy steel business of MSMPL into MSSSL as a going concern pursuant to a proposed Scheme of Arrangement amongst MSMPL, MSSSL and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013. The scheme has been approved by NCLT after close of the year on May 12, 2022. The scheme shall be effective from the appointed date April 1, 2020 on receipt of Certified copy of NCLT Order and filing the same with Registrar of Companies and therefore, the Consolidated Financial Statements do not include effect of demerger as envisaged in the scheme

8. 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 Limited

  
Niraj Bajaj  
Chairman & Managing Director

Place : Mumbai  
Date : 17<sup>th</sup> May 2022



**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of Mukand Limited**

**Report on the Audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying consolidated annual financial results of **Mukand Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the year ended March 31, 2022 ("the Statement"), attached herewith, being submitted by the Holding 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 and based on the consideration of reports of other auditors on separate audited financial statements /financial results/ financial information of the subsidiaries, associates and joint ventures, the aforesaid Statement:

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

Sr. No.	Name of the Entity	Relationship
1	Mukand Limited	Holding Company
2	Mukand Global Finance 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 (upto April 30, 2021)
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

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) 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 consolidated net profit and other comprehensive income and other financial information of the Group, its associates and joint ventures for the year ended March 31, 2022.

**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 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement 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 and other



auditors in terms of their reports referred to in “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to the following matters in the notes to the Statement:

1. Note 2 to the Statement, which explains the management evaluation on the impact of COVID-19 pandemic situation on the operational and financial position of the Company which is further dependent upon the circumstances as they evolve in the subsequent period.
2. Note 5(a) to the Statement, relating to exposures in Bombay Forging Limited (“BFL”) aggregating Rs. 16.54 crores (net of ECL Provision) as at March 31, 2022. The management, barring any significant uncertainties in future, has considered the value of unencumbered fixed assets of BFL for the balance portion of exposure in BFL.
3. Note 5(b) to the Statement, relating to the accounting treatment of goodwill aggregating Rs. 1,834.84 crores in the books of Mukand Sumi Special Steel Limited (“MSSSL”), a Joint Venture upto April 30, 2021, which is amortised over its useful life in accordance with the scheme of amalgamation as sanctioned by the National Company Law Tribunal (“NCLT”). As a consequence, depreciation and amortisation expenses for the period ended April 30, 2021 in the books of MSSSL includes Rs. 7.54 crores on account of amortisation of goodwill. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS) 103 - “Business Combination” for business combination of entities under common control. Had the accounting treatment prescribed under Ind AS 103 been followed, the depreciation and amortisation expense for the period ended April 30, 2021 would have been lower by Rs. 7.54 crores and profit before tax would have been higher by similar amount.
4. Note 7 to the Statement, wherein the Statutory Auditor of an associate company, Mukand Engineers Limited (“MEL”), have drawn reference to following para in their review report:

Note 4 of the financial result of MEL, which states that the MEL has incurred a net loss of Rs. 5.07 crores (Loss after tax) during the quarter ending March 31, 2022 and has accumulated losses amounting to Rs. 104.33 crores, as on March 31, 2022 resulting in to erosion of the Net worth of MEL. During the year under audit, fund flow of MEL has been impacted on account of general slow-down in the business, which may also seriously impair MEL’s financial position. This indicates that a material uncertainty exists that may cast significant doubt on the MEL’s ability to continue as going concern. However, keeping in mind the ongoing restructuring exercise by the MEL, it is believed that the business will be able to generate sufficient profits in future to meet its financial obligations, these year ended financial results have been prepared using going concern basis of accounting.

Our opinion is not modified in respect of these matters.

#### **Board of Directors’ Responsibility for the Consolidated Financial Results**

This Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group including its associates and joint ventures in accordance with the recognition and measurement principles laid down in the 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. The



## DHC & Co. Chartered Accountants

respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are 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 this 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the 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 ability of the Group and its associates and joint ventures 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 Statement 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 Group and its associates and joint ventures 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### **Other Matters**

- a) The Statement includes the audited financial results of two (2) subsidiaries and one (1) step down subsidiary, whose financial statements/financial results reflect Group's share of total assets of Rs. 46.86 crores as at March 31, 2022, Group's share of total revenues of Rs. 8.94 crores and Rs. 14.29 crores and Group's share of total net loss after tax of Rs. 0.02 crores and Rs. 18.79 crores for the quarter and year ended March 31, 2022 respectively, and net cash outflows amounting to Rs. 8.81 crores for the year ended March 31, 2022, as considered in the Statement, which have been audited by their respective independent auditors. The Statement also includes Group's share of net loss of Rs. 4.32 crores and Rs. 7.59 crores for the quarter and year ended March 31, 2022 respectively, as considered in the Statement, in respect of one (1) associate and three (3) joint ventures, whose financial statements/financial results have been audited by their respective independent auditors. The independent auditors' reports on financial statements/ financial results of these entities have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the such auditors and the procedures performed by us are as stated in section above.

One (1) of the above subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by its independent auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting



**DHC & Co.**  
**Chartered Accountants**

principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of its independent auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b) The unaudited financial statements/ financial results of two (2) associates has not been furnished to us by the Management. According to the information and explanations given to us by the Management, these financial statements/financial results are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/ financial information certified by the Management.

- c) The Statement includes the results for the quarter ended March 31, 2022, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **DHC & Co.**  
Chartered Accountants  
ICAI Firm Registration No.103525W



---

**Atul Paliwal**  
Partner  
Membership No.: 401969  
UDIN: 22401969AJCLII4586

Place: Jaipur  
Date: May 17, 2022