

A.D.KULKARNI & CO.
CHARTERED ACCOUNTANTS

Laxmi, 18-B, Ring Road,
Opp:-Lalit Kala Bhavan,
Jalgaon – 425001.

e-mail:-caamilkulkarni@yahoo.co.in

Limited Review Report on Unaudited Quarterly and Year-to-date Standalone Financial Results of Bedmutha Industries Limited for the quarter ended December 31, 2018 pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

To
The Board of Directors of
BEDMUTHA INDUSTRIES LIMITED.

1. We have reviewed the accompanying unaudited standalone financial results of M/s. Bedmutha Industries Limited ("the Company") for the quarter ended December 31, 2018 and the year-to-date results for the period from April 01, 2018 to December 31, 2018 together with the notes thereon ("the statement") attached herewith. The statement is being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and has been initialled by us for identification purpose.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors in their meeting held on February 12th, 2019 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), 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.
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," specified under Section 143 (10) of the Companies Act, 2013. 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 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. We draw your attention to the following matters:

Note 4 to the Statement regarding the preparation of the Statement on going concern basis for the reasons stated therein. During the quarter, the Company has incurred Net Loss of Rs. 23.07 Crores, resulting into accumulated losses of Rs. 183.83 Crores.



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The company's current liabilities exceed current assets. These matters require the Company to generate additional cash flows to fund the operations as well as other obligations. These conditions along with other matters as set forth in Note 4 indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying statement.

Note 5 of the statement, which describes the effect of Government Resolution No.PSI 2018/CR-117/IND-8 dated 20 December 2018 issued by Government of Maharashtra ('GOM') imposing additional conditions in respect of modalities for sanction and disbursement of incentives under the GST regime for which the company has consider it as good and recoverable. Our conclusion is not modified in respect of this matter.

In our opinion and to the best of our information and according to the explanations given to us, the Statement :

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in this regard except for the effects / possible effects of matters described in paragraph 4; and
- ii. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information for the quarter ended on December 31, 2018 except for the effects / possible effects of matters described in paragraph 4.

for A .D. Kulkarni & Co.
Chartered Accountants


Anil D. Kulkarni
Proprietor

M. No: 049739

Firm Reg.No: 115959W



Place: Nashik

Date: 12 February, 2019



BEDMUTHA INDUSTRIES LIMITED

Regd. Office : A - 32 , S.T.I.C.E. Musalgaon MIDC , Sinnar Nashik-422 103

Website : www.bedmutha.com

CIN : L31200MH1990PLC057863

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended on 31st December 2018

Particulars	(Rs. in Lakhs - except otherwise stated)					
	For the Quarter Ended On			For Nine Months Ended on		For the Year Ended on
	Dec-18 (Unaudited)	Sep-18 (Unaudited)	Dec-17 (Unaudited)	Dec-18 (Unaudited)	Dec-17 (Unaudited)	Mar-18 (Audited)
I. Gross Revenue from operations	9,189.14	10,480.18	13,740.79	33,612.57	45,178.11	61,829.70
II. Other Income	586.10	760.95	798.40	2,212.15	2,410.79	3,310.16
III. Total Revenue (I + II)	9,775.24	11,241.12	14,539.19	35,824.72	47,588.91	65,139.86
IV. Expenses:						
a. Cost of material consumed	6,267.51	7,442.97	9,040.59	23,935.29	30,499.27	40,310.93
b. Purchase of Stock-in-Trade	-	-	1,481.17	-	6,562.59	5,663.95
c. Manufacturing and Operating Cost	2,276.64	2,396.98	2,103.90	7,931.42	4,721.65	8,808.56
d. Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	431.22	46.58	194.11	53.49	2,696.61	5,013.53
e. Excise Duty recovered on sales	-	-	-	-	1,442.49	1,442.49
f. Employee benefits expenses	403.68	395.86	382.06	1,155.10	1,261.78	1,546.44
g. Finance Cost	1,572.47	1,707.14	1,495.62	4,921.81	4,316.81	6,005.64
h. Depreciation and amortization expenses	841.97	841.49	669.90	2,515.55	1,996.18	2,679.24
i. Other Expenses	288.82	307.88	458.74	925.33	1,266.74	1,867.78
Total Expenses	12,082.30	13,138.89	15,826.10	41,437.99	54,764.12	73,338.54
V. Profit before exceptional Item & Tax (III - IV)	(2,307.07)	(1,897.77)	(1,286.91)	(5,613.28)	(7,175.22)	(8,198.68)
VI. Exceptional Item	-	-	-	-	-	-
VII. Profit before Tax (V - VI)	(2,307.07)	(1,897.77)	(1,286.91)	(5,613.28)	(7,175.22)	(8,198.68)
VIII. Tax Expenses						
a. Current Tax	-	-	-	-	-	-
b. Deferred Tax	-	-	-	-	-	-
c. Tax in respect of earlier year	-	-	-	-	-	-
IX. Profit / (Loss) for the period (VII - VIII)	(2,307.07)	(1,897.77)	(1,286.91)	(5,613.28)	(7,175.22)	(8,198.68)
X. Other Comprehensive Income						
a. Items that will not be reclassified to Profit or Loss (net of tax expenses)	-	-	11.34	-	(33.23)	-
b. Items that will be reclassified to Profit or Loss (net of tax expenses)	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	11.34	-	(33.23)	-
XI. Total Comprehensive Income for the period (IX + X)	(2,307.07)	(1,897.77)	(1,275.57)	(5,613.28)	(7,208.45)	(8,198.68)
XII. Paid-up equity share capital, Equity shares of Rs. 10/- each	2,453.16	2,453.16	2,453.16	2,453.16	2,453.16	2,453.16
XIII. Reserves excluding Revaluation Reserves as per balance sheet						(4,244.86)
XIV. Earning Per Share (not annualized) (Before OCI)						
a. Before extraordinary items						
Basic	(Rs.9.40)	(Rs.7.74)	(Rs.5.25)	(Rs.22.88)	(Rs.29.25)	(Rs.33.42)
Diluted	(Rs.9.40)	(Rs.7.74)	(Rs.5.25)	(Rs.22.88)	(Rs.29.25)	(Rs.33.42)
b. After extraordinary Items						
Basic	(Rs.9.40)	(Rs.7.74)	(Rs.5.25)	(Rs.22.88)	(Rs.29.25)	(Rs.33.42)
Diluted	(Rs.9.40)	(Rs.7.74)	(Rs.5.25)	(Rs.22.88)	(Rs.29.25)	(Rs.33.42)

As per our report of even date
for A. D. Kulkarni & Co.

for & on behalf of Board of Directors of
Bedmutha Industries Limited

Anil D. Kulkarni
Chartered Accountants
Proprietor
M No. 049739
Firm Reg No. 115959W



Vijay Vedmutha
Chairman &
Managing Director
(DIN : 00716056)

Ajay Vedmutha
Managing Director &
Chief Financial Officer
(DIN : 01726879)

(Handwritten signatures of Vijay Vedmutha and Ajay Vedmutha)

Place: Nashik
Date: February 12, 2019



**BEDMUTHA INDUSTRIES LIMITED**

Regd. Office : A - 32 , S.T.I.C.E. Musalgaon MIDC , Sinnar Nashik-422 103

Website : www.bedmutha.com

CIN : L31200MH1990PLC057863

Standalone Unaudited Segment Revenue, Results, Segment Assets and Segment Liabilities for the Quarter and Nine Months ended on 31st December, 2018

Particulars	(Rs. in Lakhs - except otherwise stated)					
	For the Quarter Ended On			For Nine Months Ended on		For Year Ended on
	Dec-18 (Unaudited)	Sep-18 (Unaudited)	Dec-17 (Unaudited)	Dec-18 (Unaudited)	Dec-17 (Unaudited)	Mar-18 (Audited)
1. Segment Revenue (Gross) :-						
Steel	4,788.66	5,896.91	9,169.09	16,518.10	29,077.49	35,766.82
Copper	2,975.93	3,161.99	4,427.70	11,729.75	15,381.84	20,984.97
EPC Projects	1,424.55	1,421.27	217.51	5,364.72	792.29	5,176.25
Others	-	-	-	-	-	-
Total	9,189.14	10,480.18	13,814.30	33,612.57	45,251.62	61,928.03
Less : Inter Segment Revenue	-	-	73.51	-	73.51	98.33
Gross Revenue From Operations	9,189.14	10,480.18	13,740.79	33,612.57	45,178.11	61,829.70
2. Segment Results Profit / (Loss) before finance costs, exceptional items & tax:						
Steel	(950.42)	(463.00)	(205.27)	(1,854.09)	(3,461.22)	(3,520.91)
Copper	79.81	132.40	381.67	583.82	1,041.72	1,436.69
EPC Projects	136.02	139.97	31.27	578.65	(441.11)	(64.04)
Others	-	-	1.04	0.16	2.20	(44.78)
Total Segment Results Profit / (Loss) before finance costs, exceptional items & tax	(734.59)	(190.63)	208.71	(691.46)	(2,858.41)	(2,193.04)
Less :						
Finance Cost	1,572.47	1,707.14	1,495.62	4,921.81	4,316.81	6,005.64
Total Segment Results Profit / (Loss) before Exceptional Items	(2,307.07)	(1,897.77)	(1,286.91)	(5,613.28)	(7,175.22)	(8,198.68)
Exceptional Items	-	-	-	-	-	-
Total Segment Results Profit / (Loss) before tax	(2,307.07)	(1,897.77)	(1,286.91)	(5,613.28)	(7,175.22)	(8,198.68)
Tax Expense	-	-	-	-	-	-
Total Segment Results Profit / (Loss) after tax	(2,307.07)	(1,897.77)	(1,286.91)	(5,613.28)	(7,175.22)	(8,198.68)
3. Segment Assets :						
Steel	38,108.63	39,627.50	46,984.16	38,108.63	46,992.11	44,974.13
Copper	9,713.65	9,554.29	10,357.21	9,713.65	10,356.22	8,901.33
EPC Projects	10,895.68	11,247.79	3,945.03	10,895.68	4,077.45	7,385.17
Others	76.77	84.18	197.50	76.77	197.50	131.27
Total	58,794.73	60,513.76	61,483.90	58,794.73	61,623.29	61,391.90
4. Segment Liabilities :						
Steel	55,873.55	55,713.40	54,234.11	55,873.55	54,243.21	55,564.45
Copper	4,596.12	4,058.15	6,249.08	4,596.12	6,248.09	4,490.12
EPC Projects	5,703.72	5,813.39	1,683.72	5,703.72	1,808.21	3,058.14
Others	26.30	26.71	118.46	26.30	118.46	70.89
Total	66,199.69	65,611.65	62,285.37	66,199.69	62,417.97	63,183.60

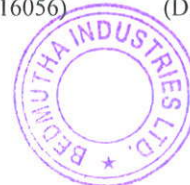
As per our report of even date
for A. D. Kulkarni & Co.for & on behalf of Board of Directors of
Bedmutha Industries Limited

Anil D. Kulkarni
Chartered Accountants
Proprietor
M No. 049739
Firm Reg No. 115959W
Place: Nashik
Date: February 12, 2019



Vijay Vedmutha
Chairman &
Managing Director
(DIN : 00716056)

Ajay Vedmutha
Managing Director &
Chief Financial Officer
(DIN : 01726879)



Notes

- 1 The above unaudited standalone financial results for the quarter and nine months ended on December 31, 2018 were taken on record at the meeting of Board of Directors held on February 12, 2019 after being reviewed and recommended by the Audit committee.
- 2 The Company has adopted Ind AS 115 - Revenue from Contracts with Customers which is effective from 1 April 2018. The application of the standard did not have any significant impact on the retained earnings as at April 01, 2018 and financial results for the current and previous quarter.
- 3 Post implementation of GST with effect from 1 July 2017, Revenue from operations is required to be presented net of GST. Accordingly, Revenue from operations for the nine months ended 31st December 2018 is not comparable to the nine months ended 31st December 2017.
- 4 The Statutory Auditors have expressed qualified opinion in their limited review report for the quarter and nine months ended December 31, 2018 in respect of following matter :-

"During the quarter in respect of preparation of unaudited financial results of the company on going concern basis for the reasons stated therein, the Company has incurred net loss of Rs. 23.07 crores resulting into accumulated losses of Rs. 183.83 crores. The Company's current liabilities exceed current assets. These matters require substantial debt reduction in the company also additional cash flow is required to fund the operations as well as other obligations."

- 5 The Company's unit at Nardana, Dhule in Maharashtra is eligible and have been availing PSI policy benefit historically. The Company currently recognizes income for such government grants, on the basis of SGST rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra post implementation of GST.

The State Government of Maharashtra ('GOM') vide its Government Resolution No. PSI 2018/CR-117/IND-8 dated 20th December, 2018 has issued change in original modalities for sanction and disbursement of Incentives under GST regime. However, certain new conditions have been introduced in the Government Resolution, which seeks to deny claiming incentives on related party transactions. The management has evaluated the impact of such change in scheme on the Company and is of the opinion and believes that said incentives would continue to be made available to the Company under the GST regime. Also, in case of any dispute company will contest these changes in court of law.

Considering the Government Resolution dated 20th December, 2018 the impact on company in Q3 / 9 Months of FY 18-19 is of Rs 18.35 lakhs from the date of Government Resolution and the said amount is considered as good and recoverable.

- 6 The Company has five segments mainly:

- i Steel
- ii Copper
- iii Consultancy *
- iv Windmill
- v EPC Projects

*As regards the Consultancy / Contracting activities of the Company, the same are carried out in the name of M/S K.R. Bedmutha & Techno Associates.

(During the period, No significant revenue was generated in Consultancy & Windmill, Hence no separate segment reporting is done).

- 7 During the Quarter, investor complaints ;
 - i. O/s at the beginning of the quarter : Nil ,
 - ii. Complaints received and resolved in the quarter : Nil,
 - iii. O/s at the end of the Quarter : Nil



- 8 The standalone results are being forwarded to the Stock Exchanges (BSE and NSE) for uploading on their respective websites and on Company's website.
- 9 Previous periods figures have been re-grouped and re-arranged as and when necessary.


As per our report of even date
for **A. D. Kulkarni & Co.**

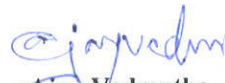

Anil D. Kulkarni
Chartered Accountants
Proprietor
M No. 049739
Firm Reg No. 115959W



Place: Nashik
Date: February 12, 2019

for & on behalf of Board of Directors of
Bedmutha Industries Limited


Vijay Vedmutha
Chairman & Managing Director
(DIN : 00716056)


Ajay Vedmutha
Managing Director & Chief Financial Officer
(DIN : 01726879)



Management Reply:- (note no. 4)

The major loss is incurring due to heavy interest cost and non utilization of capacity as there is shortage of working capital, resulting into current quarter losses.

The company is already in discussion with the lenders for restructuring as per RBI guidelines and one major milestone in restructuring process has been achieved i.e. obtaining RP4 rating from ICRA and CARE rating agencies for the resolution plan submitted. Hence, the company is hopeful of restructuring process to be implemented from the lenders to put the company back on track.

Further as stated in our management reply for previous quarter the intention of the company is to reduce finance cost by restructuring loan with bankers and bringing funds from investor.

Features of restructuring package will be as follows :-

- 1) Company is in the process of restructuring its loan from bankers which will result in loan reduction by 230 crs due to conversion of loan in CRPS.
- 2) Secondly, to improve the liquidity position and capacity utilization/Operations of the company , company is in the process of raising minimum funds of 42.50 crs from Investors or NBFC. This is also a precondition from Bankers to pass the restructuring plan.
- 3) Also company has decided to sell its non-core assets to improve its liquidity for operations and also for Debt reduction. Accordingly financial statements have been prepared on the basis that company is a going concern.

Company being a Mega project has un-accrued Incentive from Govt. of Maharashtra approx. to the tune of Rs. 186 Crs. Only 82 crs of the incentive has been accrued till 31/12/2018.

