



## MUKAND LIMITED

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS AND QUARTER ENDED SEPTEMBER 30, 2014

**Rs. in lakhs**

**Part - I**

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(1) INCOME FROM OPERATIONS						
a) Gross Sales	84,266.36	74,786.91	68,682.06	159,053.27	134,007.31	278,702.87
Less : Excise Duty Recovered	8,478.89	7,471.04	6,789.47	15,949.93	13,299.59	27,259.75
Net Sales	75,787.47	67,315.87	61,892.59	143,103.34	120,707.72	251,443.12
b) Other Operating Income	596.49	522.25	498.20	1,118.74	1,460.04	2,513.38
<b>Total Income from Operations</b>	<b>76,383.96</b>	<b>67,838.12</b>	<b>62,390.79</b>	<b>144,222.08</b>	<b>122,167.76</b>	<b>253,956.50</b>
(2) EXPENSES						
a) Cost of materials consumed	36,038.98	35,046.53	30,754.72	71,085.51	60,887.58	131,564.71
b) Purchase of Stock in Trade	58.68	25.17		83.85		2,897.36
c) Changes in inventories of finished goods and work-in-progress	(1,043.75)	(3,954.22)	(1,252.90)	(4,997.97)	(3,756.75)	(17,583.98)
d) Stores, Spares, Components, Tools, etc. consumed	11,419.06	10,439.36	9,822.59	21,858.42	20,052.24	41,438.23
e) Power & Fuel	4,810.32	5,052.02	4,998.83	9,862.34	9,877.70	20,382.28
f) Employee benefits expense	3,748.83	3,769.92	3,486.76	7,518.75	6,970.30	14,552.67
g) Foreign Exchange (Gain)/Loss (net)	788.22	500.78	1,798.05	1,289.00	3,488.71	3,902.75
h) Depreciation and Amortisation expenses	1,849.15	1,845.14	1,658.45	3,694.29	3,288.63	6,704.09
i) Other Expenditure	11,939.54	10,100.56	9,129.04	22,040.10	17,775.21	38,766.81
<b>Total Expenses</b>	<b>69,609.03</b>	<b>62,825.26</b>	<b>60,395.54</b>	<b>132,434.29</b>	<b>118,583.62</b>	<b>242,624.92</b>
(3) Profit/(Loss) from Operations before Other Income, Finance Costs, & Net Exceptional income/ (Expenditure)	6,774.93	5,012.86	1,995.25	11,787.79	3,584.14	11,331.58
(4) Other Income [Refer Note 3]	345.44	1,319.61	298.46	1,665.05	593.70	3,330.59
(5) Profit/(Loss) from Ordinary Activities before Finance Costs & Net Exceptional income/ (Expenditure)	7,120.37	6,332.47	2,293.71	13,452.84	4,177.84	14,662.17
(6) Less : Finance Costs (net)	6,572.94	5,960.36	5,698.18	12,533.30	11,863.03	24,388.96
(7) Profit / (Loss) from ordinary activities before Net Exceptional income / (Expenditure)	547.43	372.11	(3,404.47)	919.54	(7,685.19)	(9,726.79)
(8) Net Exceptional Income / (Expenditure) [Refer Note 4]	(311.29)	(311.29)	(309.39)	(622.58)	(27.99)	(2,544.31)
(9) Profit / (Loss) before Tax	236.14	60.82	(3,713.86)	296.96	(7,713.18)	(12,271.10)
(10) Tax Expense	61.65	21.65	(592.00)	83.30	(1,122.00)	(3,469.74)
(11) Profit / (Loss) after Tax	174.49	39.17	(3,121.86)	213.66	(6,591.18)	(8,801.36)



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MUKAND LIMITED		Rs. in lakhs					
		Quarter ended			Six months ended		Year ended
		30-Sep-14 Unaudited	30-Jun-14 Unaudited	30-Sep-13 Unaudited	30-Sep-14 Unaudited	30-Sep-13 Unaudited	31-Mar-14 Audited
(12)	Paid-up Equity Share Capital (Face value Rs 10/- per share)	14,141.74	14,141.74	7,312.57	14,141.74	7,312.57	14,141.74
(13)	Reserves (excluding Revaluation Reserve)						32,480.15
(14)	Earnings per Share (EPS) - Rs Basic and Diluted EPS (in Rs.)						
	- Including exceptional items	0.12	0.03	(4.27)	0.15	(9.01)	(11.54)
	- Excluding exceptional items	0.34	0.25	(3.85)	0.59	(8.98)	(8.20)
<b>Part - II</b>							
<b>A PARTICULARS OF SHAREHOLDING</b>							
(1)	Public Shareholding						
	Number of Shares	37,674,853	37,674,853	33,835,325	37,674,853	33,835,325	37,674,853
	Percentage of Shareholding	26.64%	26.64%	46.28%	26.64%	46.28%	26.64%
(2)	Disclosure in respect of pledged shares of Promoters and Promoter Group						
	Shares held by Promoters & Promoter Group - Nos. (A)	103,731,008	103,731,008	39,278,804	103,731,008	39,278,804	103,731,008
	Percentage of Total Share Capital	73.36%	73.36%	53.72%	73.36%	53.72%	73.36%
	Pledged / Encumbered - No. of Shares	29,767,790	29,767,790	16,090,431	29,767,790	16,090,431	16,090,431
	Percentage of Total Share Capital	21.05%	21.05%	22.01%	21.05%	22.01%	11.38%
	Percentage of (A)	28.70%	28.70%	40.96%	28.70%	40.96%	15.51%
	Non Encumbered - No. of Shares	73,963,218	73,963,218	23,188,373	73,963,218	23,188,373	87,640,577
	Percentage of Total Share Capital	52.31%	52.31%	31.71%	52.31%	31.71%	61.98%
	Percentage of (A)	71.30%	71.30%	59.04%	71.30%	59.04%	84.49%
<b>B INVESTOR COMPLAINTS</b>		Quarter ended 30-Sep-14					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	36					
	Disposed off during the quarter	36					
	Remaining unresolved at the end of the quarter	Nil					

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MUKAND LIMITED

Rs. in lakhs

	Quarter ended			Six months ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>SEGMENT REVENUE (net of Excise Duty)</b>						
1) Steel	72,026.75	63,893.51	57,537.88	135,920.26	113,872.87	237,067.95
2) Power Generation	1,150.40	827.23	1,080.39	1,977.63	2,166.35	4,548.57
3) Industrial Machinery	4,489.54	3,851.84	5,087.84	8,341.38	8,473.14	16,500.24
4) Road Construction		124.91		124.91	128.86	940.66
Sub-total	77,666.69	68,697.49	63,706.11	146,364.18	124,641.22	259,057.42
Less : Inter Segment Revenue	(1,282.73)	(859.37)	(1,315.32)	(2,142.10)	(2,473.46)	(5,100.92)
Total Segment Revenue (net of Excise Duty)	76,383.96	67,838.12	62,390.79	144,222.08	122,167.76	253,956.50
<b>SEGMENT RESULT</b>						
1) Steel	5,690.08	3,583.69	(1.43)	9,273.77	(78.01)	4,297.72
2) Power Generation	1,006.11	694.20	950.77	1,700.31	1,915.30	4,075.86
3) Industrial Machinery	374.82	959.24	1,436.99	1,334.06	2,592.38	4,674.59
4) Road Construction	(47.62)	(7.72)	(111.90)	(55.34)	(333.93)	(673.03)
Less : Inter segment margin	(17.92)		(34.20)	(17.92)	(42.33)	(73.83)
Total Segment Result	7,005.47	5,229.41	2,240.23	12,234.88	4,053.41	12,301.31
Add / (Less) :						
Other net un-allocable : Income	345.44	1,319.61	298.46	1,665.05	593.70	3,330.60
Expenditure	230.54	216.55	244.98	447.09	469.27	969.74
Other net un-allocable (expenditure) / income	114.90	1,103.06	53.48	1,217.96	124.43	2,360.86
Profit / (Loss) before Finance costs	7,120.37	6,332.47	2,293.71	13,452.84	4,177.84	14,662.17
Less : Finance costs (net)	6,572.94	5,960.36	5,698.18	12,533.30	11,863.03	24,388.96
Net Exceptional - Income / (Expenditure)	(311.29)	(311.29)	(309.39)	(622.58)	(27.99)	(2,544.31)
Profit / (Loss) before tax	236.14	60.82	(3,713.86)	296.96	(7,713.18)	(12,271.10)
<b>Capital Employed as on</b>						
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
1) Steel	348,999.23	341,907.12	324,073.75	348,999.23	324,073.75	336,671.76
2) Power Generation	4,472.30	4,506.63	4,649.82	4,472.30	4,649.82	4,622.01
3) Industrial Machinery	53,909.49	52,492.74	49,208.57	53,909.49	49,208.57	51,545.15
4) Road Construction	13,381.05	13,496.46	13,969.36	13,381.05	13,969.36	13,624.87
5) Unallocable (net)	(208,397.35)	(200,103.41)	(190,555.96)	(208,397.35)	(190,555.96)	(193,262.60)
Total Net Capital Employed	212,364.72	212,299.54	201,345.54	212,364.72	201,345.54	213,201.19

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MUKAND LIMITED

Rs. in lakhs

Statement of Assets and Liabilities as on		30-Sep-14	30-Sep-13	31-Mar-14
<b>A EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
	(a) Share Capital	14,704.37	7,875.20	14,704.37
	(b) Reserves and surplus	197,660.35	193,470.34	198,496.82
	<b>Sub-total Shareholders' Funds</b>	<b>212,364.72</b>	<b>201,345.54</b>	<b>213,201.19</b>
<b>(2) Non Current Liabilities</b>				
	(a) Long-term borrowings	129,184.75	100,725.48	110,809.04
	(b) Other long term liabilities	400.00	1,418.18	1,386.44
	(c) Long-term provisions	3,462.73	3,149.00	3,567.57
	<b>Sub total Non Current Liabilities</b>	<b>133,047.48</b>	<b>105,292.66</b>	<b>115,763.05</b>
<b>(3) Current Liabilities</b>				
	(a) Short-term borrowings	82,691.74	82,616.28	78,763.95
	(b) Trade payables	86,411.58	79,484.96	85,023.83
	(c) Other current liabilities	56,689.48	66,757.99	64,702.41
	(d) Short-term provisions	448.89	347.70	428.86
	<b>Sub total Current Liabilities</b>	<b>226,241.69</b>	<b>229,206.93</b>	<b>228,919.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>571,653.89</b>	<b>535,845.13</b>	<b>557,883.29</b>
<b>B ASSETS</b>				
<b>(1) Non Current Assets</b>				
	(a) Fixed Assets	249,806.14	254,567.99	253,622.22
	(b) Non-current investments	25,098.15	26,122.61	25,098.15
	(c) Deferred tax assets (net)	4,503.42	1,946.08	4,215.52
	(d) Long-term loans and advances	13,423.47	14,300.81	12,559.44
	(e) Other non-current assets	4,828.09	4,828.26	4,828.09
	<b>Non Current Assets</b>	<b>297,659.27</b>	<b>301,765.75</b>	<b>300,323.42</b>
<b>(2) Current Assets</b>				
	(a) Inventories	135,308.30	106,011.24	123,516.75
	(b) Trade receivables	94,744.39	104,742.30	90,223.47
	(c) Cash and Bank Balances	6,738.52	6,340.65	8,488.37
	(d) Short-term loans and advances	18,565.36	16,784.06	19,254.76
	(e) Other Current Assets	18,638.05	201.13	16,076.52
	<b>Sub total Current Assets</b>	<b>273,994.62</b>	<b>234,079.38</b>	<b>257,559.87</b>
<b>TOTAL ASSETS</b>		<b>571,653.89</b>	<b>535,845.13</b>	<b>557,883.29</b>

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**Notes :**

1. Pursuant to the Companies Act, 2013 (the Act), becoming effective from 1<sup>st</sup> April 2014, the Company has reworked depreciation with reference to estimated useful life of fixed assets prescribed under Schedule-II to the Act or useful life of fixed assets as per technical evaluation. As a result, the charge for depreciation is higher by Rs.109 Lakhs for the quarter ended 30<sup>th</sup> September 2014. Further, based on transitional provision in Note 7(b) of Schedule-II, an amount of Rs.831 Lakhs (net of deferred tax) has been adjusted on 30<sup>th</sup> June 2014 against the retained earnings.
2. Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2014 :
  - a. Advances due from and investments made in Vidyavihar Containers Limited (VCL), aggregating Rs. 6,713 Lakhs as at 31<sup>st</sup> March 2014 now stand at Rs.5,213 Lakhs as at 30<sup>th</sup> September 2014. The Company, barring unforeseen circumstances, relies upon the estimation of future realizable values of the financial assets of VCL to recover its Exposures;
  - b. As regards investments made in Mukand Global Finance Limited (MGFL), aggregating Rs.2,625 Lakhs, the recovery is dependent upon realization of the financial assets that MGFL stands invested into at the close of the year and future earnings from the business activities of MGFL. The management considers the 'Exposure' to be 'Good' and adequately covered. Any ultimate shortfall if any, in the realization is not determinable at present.
  - c. The investments in and debts / advances due from Bombay Forgings Limited (BFL), which stood at Rs.7,990 Lakhs as at 31.03.2014 has increased to Rs.8,117 Lakhs as at 30.09.2014. The management, considering its long term view on the 'Exposures', relies upon the valuation of unencumbered fixed assets of BFL as at 31<sup>st</sup> March, 2014 which is at Rs.7,034 Lakhs. It further relies upon the value of current assets and future earnings from the ongoing business of BFL. The management considers the balance 'Exposures' to be 'Good' at the close of the quarter and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.
  - d. Debts / advances recoverable from Stainless India Limited (SIL), which aggregated Rs.725 Lakhs as at 31<sup>st</sup> March 2014, has marginally increased to Rs.728 Lakhs as at 30.09.2014. The management relies upon the realization from Land of SIL. The management considers the balance 'Exposures' to be 'Good' at the close of the Quarter and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.
  - e. The Company in previous years executed road construction projects in the state of Uttar Pradesh with National Highway Authority of India (NHAI) along with Centrodorstroy (CDS), Russia. The exposure on this account as at 31.03.2014 aggregated Rs.13,478 Lakhs and is now at Rs.13,241 Lakhs as at 30.09.2014. The outcome of the Road Construction activity cannot be estimated with certainty at present. The amount of total claims with NHAI now aggregates Rs.22,166 Lakhs (as at 31.03.2014, Rs.22,528 Lakhs). Bulks of these claims are now being processed at various appellate fora. It is the opinion of the management that in view of the substantially large claims to be settled progressively over a period of next 2 to 3 years, losses currently expected are already recognized till the close of the quarter.

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3. Other income for the Quarter ended 30<sup>th</sup> September 2014 of Rs 345 Lakhs is lower as compared to Rs. 1,320 Lakhs for the Quarter ended 30<sup>th</sup> June 2014 as it included surplus of Rs.1,099 Lakhs on sale of part of Office premises.
4. Net Exceptional Expenditure of Rs.311 Lakhs represents proportionate charge for the Quarter of Adhoc amount payable to CDR Lenders. During June 2013, the Company arrived at settlement with the Corporate Debt Restructuring members for an adhoc amount of Rs.2,490 Lakhs payable in monthly installments till the maturity of the loans without any further interest thereon. This settlement was arrived at to compensate the Lenders for the lower interest charged by them during the period FY 2002-03 to FY 2011-12. A proportionate charge of Rs.311 Lakhs has been made in the current Quarter.
5. Figures in respect of previous year / quarter have been regrouped / recast wherever necessary.
6. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 10<sup>th</sup> November, 2014. Statutory Auditors have carried out a "Limited Review" of the financial results shown above.

By Order of the Board of Directors  
For Mukand Ltd.,

  
Niraj Bajaj  
Chairman & Managing Director

  
Rajesh V. Shah  
Co-Chairman & Managing Director

Place : Mumbai.  
Date : 10<sup>th</sup> November, 2014.

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## Limited Review Report

**Review Report to  
The Board of Directors  
Mukand Limited**


1. We have reviewed the accompanying statement of unaudited financial results of Mukand Limited ('the Company') for the quarter ended September 30, 2014 except for the disclosures in Part II with respect to 'Particulars of Shareholding' and 'Investor Complaints' which have been traced from the details furnished by the Registrar & Transfer Agent / Management. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / committee of Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are 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.
3. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Without Qualifying our report, we invite attention to:
  - (a) Note 2(a) to the unaudited financial results, relating to the Exposures in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 5,213 lacs (net) as at September 30, 2014 (Rs. 7,637 lacs (net) as at September 30, 2013), where the management has, barring any significant uncertainties in future, relied upon the realizable values of financial assets of VCL to recover its Exposures.



- (b) Note 2 (b) to the unaudited financial results, relating to the Exposures in Mukand Global Finance Limited (MGFL), a subsidiary company, aggregating Rs. 2,625 lacs as at September 30, 2014 (Rs 2,625 lacs as at September 30, 2013), where the management has, barring any significant uncertainties in future, relied upon the projected future earnings from the business activities of MGFL.
- (c) Note 2 (c) of the unaudited financial results, relating to the Exposures in Bombay Forging Limited (BFL) aggregating Rs.8,117 lacs as at September 30, 2014 (Rs. 8,345 lacs as at September 30, 2013), where the management has, barring any significant uncertainties in future, relied upon the valuation of unencumbered fixed assets, the value of current assets and projected future earnings from the business activities of BFL.
- (d) Note 2 (d) to the unaudited financial results, relating to the Exposures in Stainless India Limited (SIL), a associate company, aggregating Rs.728 lacs as at September 30, 2014 (Rs 1,078 lacs as at September 30, 2013), where the net worth of SIL has been fully eroded and there is no significant activities being carried out by SIL. The management has, barring any significant uncertainties in future, relied upon the valuation of land held by SIL.
- (e) Note 2 (e) to the unaudited financial results, relating to the Exposures aggregating Rs. 13,241 lacs as at September 30, 2014 (Rs. 13,860 lacs as at September 30, 2013), in respect of road construction activity and our reliance on the management's expectation of its realisability.

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

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W

  
Sumant Sakhardande  
Partner  
Membership No.:034828



Place: Mumbai  
Date: November 10, 2014