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## MUKAND LIMITED

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013

### Part - I

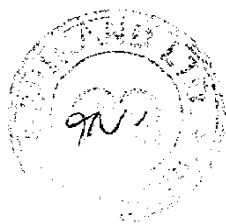
*Rs. in lakhs*

Particulars	Three months ended			Nine months ended		Year ended
	31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(1) INCOME FROM OPERATIONS						
a) Gross Sales	67,875.49	68,682.06	50,543.47	201,882.80	171,270.73	228,052.57
Less : Excise Duty Recovered	6,292.35	6,789.47	4,833.58	19,591.94	16,789.91	22,128.22
Net Sales	61,583.14	61,892.59	45,709.89	182,290.86	154,480.82	205,924.35
) Other Operating Income	412.08	498.20	460.94	1,872.12	6,226.37	6,699.84
Total Income from Operations	61,995.22	62,390.79	46,170.83	184,162.98	160,707.19	212,624.19
(2) EXPENSES						
a) Cost of materials consumed	35,706.75	30,754.72	24,526.00	96,594.33	87,072.24	112,123.18
b) Purchase of Stock in Trade	1,386.58			1,386.58		
c) Changes in inventories of finished goods and work-in-progress	(9,807.58)	(1,252.90)	(4,137.49)	(13,564.33)	(3,184.16)	(6,113.44)
d) Stores, Spares, Components, Tools, etc. consumed	10,672.31	9,822.59	6,757.34	30,724.55	23,741.59	32,315.13
e) Power & Fuel	5,427.27	4,998.83	4,460.23	15,304.97	13,342.85	17,820.10
g) Employee benefits expense	3,718.49	3,486.76	3,464.11	10,688.79	10,261.07	13,653.12
h) Depreciation and Amortisation expenses	1,670.52	1,658.45	1,583.58	4,959.15	4,763.79	6,415.22
i) Other Expenditure	9,636.01	10,927.09	7,183.59	30,899.93	23,588.59	31,563.07
Total Expenses	58,410.35	60,395.54	43,837.36	176,993.97	159,585.97	207,776.38
(3) Profit/(Loss) from Operations before Other Income, Finance Costs, & Net Exceptional income/ (Expenditure)	3,584.87	1,995.25	2,333.47	7,169.01	1,121.22	4,847.81
(4) Other Income [Refer Note 2]	2,297.27	482.18	240.64	2,890.97	785.03	1,087.41
(5) Profit/(Loss) from Ordinary Activities before Finance Costs & Net Exceptional income/ (Expenditure)	5,882.14	2,477.43	2,574.11	10,059.98	1,906.25	5,935.22
(6) Less : Finance Costs (net)	6,319.84	5,881.90	5,325.92	18,182.87	15,278.80	21,538.08
(7) (Loss) from ordinary activities before Net Exceptional income / (Expenditure)	(437.70)	(3,404.47)	(2,751.81)	(8,122.89)	(13,372.55)	(15,602.86)
(8) Net Exceptional Income / (Expenditure) [Refer Note 3]	(1,086.29)	(309.39)	--	(1,114.28)	10,832.63	10,832.63
(9) Profit / (Loss) before Tax	(1,523.99)	(3,713.86)	(2,751.81)	(9,237.17)	(2,539.92)	(4,770.23)
(10) Less : Tax Expense [(Deferred Tax Credit) / Charge]	(192.89)	(592.00)	(824.08)	(1,314.89)	(824.08)	(824.08)
(11) Profit/ (Loss) after Tax	(1,331.10)	(3,121.86)	(1,927.73)	(7,922.28)	(1,715.84)	(3,946.15)



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MUKAND LIMITED		Quarter ended					Year ended	
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
(12)	Paid-up Equity Share Capital (Face value Rs 10/- per share)	7,312.57	7,312.57	7,312.57	7,312.57	7,312.57	7,312.57	
(13)	Reserves (excluding Revaluation Reserve)						33,871.71	
(14)	Earnings per Share (EPS) - Rs Basic and Diluted EPS (in Rs.)							
	- Including exceptional items	(1.82)	(4.27)	(2.64)	(10.84)	(2.35)	(5.40)	
	- Excluding exceptional items	(0.33)	(3.85)	(2.64)	(9.31)	(17.16)	(20.21)	
<b>Part - II</b>								
<b>A PARTICULARS OF SHAREHOLDING</b>								
(1)	Public Shareholding							
	Number of Shares	33,394,687	33,835,325	31,320,868	33,394,687	31,320,868	33,929,262	
	Percentage of Shareholding	45.67%	46.28%	42.84%	45.67%	42.84%	46.41%	
(2)	Disclosure in respect of pledged shares of Promoters and Promoter Group							
	Shares held by Promoters & Promoter Group - Nos. (A)	39,719,442	39,278,804	41,793,261	39,719,442	41,793,261	39,184,867	
	Percentage of Total Share Capital	54.33%	53.72%	57.16%	54.33%	57.16%	53.59%	
	Pledged / Encumbered - No. of Shares	14,377,431	16,090,431	18,328,179	14,377,431	18,328,179	15,705,431	
	Percentage of Total Share Capital	19.66%	22.01%	25.07%	19.66%	25.07%	21.48%	
	Percentage of (A)	36.20%	40.96%	43.85%	36.20%	43.85%	40.08%	
	Non Encumbered - No. of Shares	25,342,011	23,188,373	23,465,082	25,342,011	23,465,082	23,479,436	
	Percentage of Total Share Capital	34.67%	31.71%	32.09%	34.67%	32.09%	32.11%	
	Percentage of (A)	63.80%	59.04%	56.15%	63.80%	56.15%	59.92%	
<b>B INVESTOR COMPLAINTS</b>		Quarter ended 31-Dec-13						
	Pending at the beginning of the quarter	Nil						
	Received during the quarter	18						
	Disposed off during the quarter	18						
	Remaining unresolved at the end of the quarter	Nil						

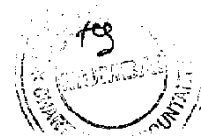


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## MUKAND LIMITED

Rs. in lakhs

		Quarter ended			Nine months ended		Year ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
SEGMENT REVENUE (net of Excise Duty)							
1)	Steel	59,089.37	57,537.88	42,583.69	172,962.24	146,341.81	191,181.89
2)	Power Generation	1,285.17	1,080.39	136.27	3,451.52	1,547.37	2,213.39
3)	Industrial Machinery	2,997.79	5,087.84	3,690.02	11,470.93	10,135.04	16,250.03
4)	Road Construction	0.05	--	3.90	128.91	4,492.62	5,750.94
Sub-total		63,372.38	63,706.11	46,413.88	188,013.60	162,516.84	215,396.25
Less : Inter Segment Revenue		(1,377.16)	(1,315.32)	(243.05)	(3,850.62)	(1,809.65)	(2,772.06)
Total Segment Revenue (net of Excise Duty)		61,995.22	62,390.79	46,170.83	184,162.98	160,707.19	212,624.19
SEGMENT RESULT							
1)	Steel	1,837.78	(1.43)	2,618.65	1,759.77	351.87	2,728.26
2)	Power Generation	1,167.70	950.77	23.65	3,083.00	1,152.48	1,677.88
3)	Industrial Machinery	1,060.96	1,436.99	377.77	3,653.34	1,254.26	2,768.29
4)	Road Construction	(169.39)	(111.90)	(181.80)	(503.32)	(533.93)	(1,041.68)
Less : Inter segment margin		(9.89)	(34.20)	(12.20)	(52.22)	(25.59)	(69.97)
Total Segment Result		3,887.16	2,240.23	2,826.07	7,940.57	2,199.09	6,062.78
Add / (Less) :							
Other net un-allocable : Income		2,297.27	482.18	240.64	2,890.97	785.04	1,087.41
Expenditure		302.29	244.98	492.60	771.56	1,077.88	1,214.97
Other net un-allocable (expenditure) / income		1,994.98	237.20	(251.96)	2,119.41	(292.84)	(127.56)
Profit / (Loss) before Finance costs		5,882.14	2,477.43	2,574.11	10,059.98	1,906.25	5,935.22
Less : Finance costs (net)		6,319.84	5,881.90	5,325.92	18,182.87	15,278.80	21,538.08
Net Exceptional - Income / (Expenditure)		(1,086.29)	(309.39)	--	(1,114.28)	10,832.63	10,832.63
Profit / (Loss) before tax		(1,523.99)	(3,713.86)	(2,751.81)	(9,237.17)	(2,539.92)	(4,770.23)
Capital Employed as on		31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
1)	Steel	330,407.08	324,073.75	331,456.38	330,407.08	331,456.38	327,250.87
2)	Power Generation	4,603.00	4,649.82	4,851.54	4,603.00	4,851.54	4,838.26
3)	Industrial Machinery	49,902.76	49,208.57	42,286.85	49,902.76	42,286.85	42,213.22
4)	Road Construction	13,802.74	13,969.36	14,752.33	13,802.74	14,752.33	14,269.77
5)	Unallocable (net)	(195,317.13)	(190,555.96)	(182,808.25)	(195,317.13)	(182,808.25)	(180,369.63)
Total Net Capital Employed		203,398.45	201,345.54	210,538.85	203,398.45	210,538.85	208,202.49



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**Notes :****1. Management's response to the qualifications / observations of the auditors on the financial statements for the year ended 31.03.2013 :**

- a. Advances due from and investments made in Vidyavihar Containers Limited (VCL), aggregating Rs. 7,637 Lakhs as at 31<sup>st</sup> March 2013 remains same as at 31<sup>st</sup> Dec. 2013. The Company, barring unforeseen circumstances, relies upon the estimation of future realizable values of the financial assets of VCL to recover its Exposures;
- b. Investments made in Mukand Global Finance Limited (MGFL), aggregating Rs.2,625 Lakhs as at 31<sup>st</sup> March 2013 remains same as at 31<sup>st</sup> Dec. 2013. The recovery out of this investment 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.7,651 Lakhs as at 31.03.2013 has increased to Rs.8,547 Lakhs as at 31.12.2013 due to current supplies on credit. Recovery towards these supplies will be made by 31<sup>st</sup> March 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, 2013 which is at Rs.7,189 Lakhs, 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 year 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.1,411 Lakhs as at 31<sup>st</sup> March 2013, has reduced to Rs.777 Lakhs as at 31.12.2013. The management relies upon the proceeds from disposal of Land and Building of SIL as at 31.03.2013. 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 31.03.2013 aggregated Rs.14,168 Lakhs (represented by contracts in progress Rs. 8,002 Lakhs and trade dues of Rs. 6,166 Lakhs) and is now at Rs.13,698 Lakhs as at 31.12.2013 (represented by contracts in progress Rs.7,538 Lakhs and trade dues of Rs.6,160 Lakhs). Although the outcome of the Road Construction activity cannot be estimated with reliability at present, it is the opinion of the management that in view of the substantially large claims aggregating Rs.16,173 Lakhs as at 31.12.2013 (amount as at 31.03.2013 Rs.16,433 Lakhs) of CDS for incremental jobs executed, escalations and time over-runs to be settled progressively over a period of 2 to 3 years, losses currently expected are already recognized till the close of the Quarter.

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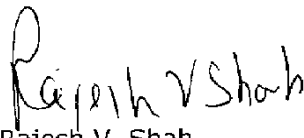
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2. Other income includes surplus amounting to Rs.1,844 Lakhs on sale of residential premises.
3. Net Exceptional Expenditure of Rs.1,086 Lakhs represents :
  - i) Adhoc amount payable to CDR Lenders amounting to Rs.311 Lakhs :
 

During the quarter ended 30<sup>th</sup> 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.
  - ii) Provision for diminution in value of investment in the shares of Bekaert Wire Industries Private Limited amounting to Rs.775 Lakhs as company sold its entire shareholding costing Rs.1,300 Lakhs in its erstwhile joint venture company on January 11, 2014 for Rs.525 Lakhs to Bekaert Industries Private Limited.
4. In respect of issue of equity shares on a Rights basis at an issue price of Rs.21/- per share in the ratio of 1:1 to the existing equity shareholders of the Company, letter of offer has been filed with the Stock Exchanges on 30<sup>th</sup> January, 2014 with record date for rights entitlement fixed as 11<sup>th</sup> February, 2014. The issue is scheduled to open on 20<sup>th</sup> February, 2014 and close on 6<sup>th</sup> March, 2014.
5. Figures for the corresponding nine months ended 31<sup>st</sup> December 2012 includes business of cold finished bars and wires upto 30<sup>th</sup> September 2012, which was subsequently transferred to the subsidiary and hence the figures are not comparable.
6. Figures in respect of previous year / quarter have been regrouped / recast wherever necessary.
7. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 13<sup>th</sup> February, 2014. Statutory Auditors have carried out a "Limited Review" of the financial results shown above.

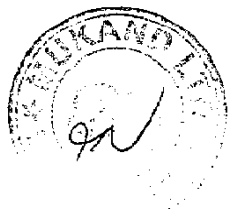
By Order of the Board of Directors  
For Mukand Ltd.,

  
Niraj Bajaj  
Chairman & Managing Director

  
Rajesh V. Shah  
Co-Chairman & Managing Director

Place : Mumbai.

Date : 13<sup>th</sup> February, 2014.



**HARIBHAKTI & CO.**

Chartered Accountants

**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 December 31, 2013 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. *As more explained in Note 1 (a) of the unaudited financial results, no provision has been made with regard to the realisability of the 'Exposures' in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs. 7,637 lacs (net) as at December 31, 2013 (Rs. 7,637 lacs (net) as at December 31, 2012), due to significant uncertainties in recovering its investment and loans which is dependent on the ultimate realization of the assets of VCL.*

*Our limited review report on the unaudited financial results of the company for the quarter ended September 30, 2013 and our audit report on the financial statements for the year ended March 31, 2013 was also qualified in respect of the matter stated above.*

4. Based on our review conducted as above, *subject to the effects of our observation given in para 3*, 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 [Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, which as per General Circular 15/2013 dated September 13, 2013 issued by Ministry of Corporate Affairs continues to apply 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.



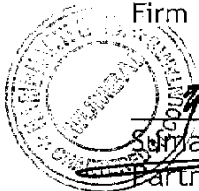
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**HARIBHAKTI & CO.**  
Chartered Accountants

5. We draw attention to the following notes to the unaudited financial results with regard to:
- (a) Note 1 (b) relating to the Exposures in Mukand Global Finance Limited (MGFL), a subsidiary company, aggregating Rs. 2,625 lacs as at December 31, 2013 (Rs 2,625 lacs as at December 31, 2012), where the management has, barring any significant uncertainties in future, relied upon the projected future earnings from the business activities of MGFL.
  - (b) Note 1 (c) relating to the Exposures in Bombay Forging Limited (BFL) aggregating Rs.8,547 lacs as at December 31, 2013 (Rs. 7,998 lacs as at December 31, 2012), where the management has, barring any significant uncertainties in future, relied upon the projected future earnings from the business activities of BFL.
  - (c) Note 1 (d) relating to the Exposures in Stainless India Limited (SIL), a associate company, aggregating Rs.777 lacs as at December 31, 2013 (Rs 1,450 lacs as at December 31, 2012), 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 expected proceeds from disposal of land and building of SIL.
  - (d) Note 1 (e) relating to the Exposures aggregating Rs. 13,698 lacs as at December 31, 2013 (Rs. 14,686 lacs as at December 31, 2012), in respect of road construction activity and our reliance on the management's expectation of its realisibility.

Our report is not qualified in respect of these matters.

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



Santant Sakhardande  
Partner

Membership No.:034828

Place: Mumbai

Date: February 13, 2014