

MUKAND

MUKAND LIMITED

Regd. Office - Bajaj Bhawan, Jannalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021
 STANDALONE FINANCIAL RESULTS (UNAUDITED) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2010

Rs. in lakhs

	Particulars	Quarter ended		Six months ended		Year ended
		30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09	31-Mar-10
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
(1)	INCOME					
	Net Sales and Other Operating Income					
a)	Gross Sales	64,550.46	55,973.68	124,619.30	103,355.81	212,287.63
	Less : Excise Duty Recovered	5,800.35	4,092.17	11,305.10	7,815.45	15,993.43
	Net Sales	58,750.11	51,881.51	113,314.20	95,540.36	196,294.20
b)	Other Operating Income	967.13	441.68	1,500.45	919.94	2,648.94
	Net Sales and Other Operating Income	59,717.24	52,323.19	114,814.65	96,460.30	198,943.14
(2)	EXPENDITURE					
a)	(Increase) / Decrease in Stock in Trade	(2,078.71)	(1,115.86)	(9,380.69)	(5,737.27)	(10,098.99)
b)	Consumption of Raw Materials	31,199.77	21,282.40	62,026.48	41,746.97	84,200.88
c)	Purchase of Goods for Trade	1,079.82	1,298.16	1,408.80	2,154.20	4,479.19
d)	Stores, Spares, Components, Tools, etc. consumed	8,120.41	8,959.13	16,390.44	16,945.37	33,563.74
e)	Staff Costs	2,589.39	2,314.44	5,236.66	4,608.44	9,625.13
f)	Power & Fuel	4,008.68	4,015.47	8,240.87	7,246.43	15,134.97
g)	Other Expenditure	8,035.75	8,554.71	16,739.10	16,074.29	34,747.14
h)	Depreciation	1,621.26	1,516.83	3,212.50	2,920.44	6,323.47
	Total Expenditure	54,576.37	46,825.28	103,874.16	85,958.87	177,975.53
(3)	Profit from Operations before Write Offs, Other Income, Interest & Exceptional Items	5,140.87	5,497.91	10,940.49	10,501.43	20,967.61
(4)	Bad Debts / Advances written off	(2,801.26)		(2,801.26)		
(5)	Profit from Operations before Other Income, Interest & Exceptional Items	2,339.61	5,497.91	8,139.23	10,501.43	20,967.61
(6)	Other Income :					
a)	Net Income from transfer of Land	3,849.90		3,849.90		
b)	Other Income	96.66	23.47	237.89	37.60	473.21
(7)	Finance and Lease Charges (net)	(3,796.94)	(3,885.81)	(7,996.69)	(7,480.62)	(15,154.62)
(8)	Exceptional Items (Net)- Income / (Expenditure)					(86.02)
(9)	Profit from ordinary activities before Tax	2,489.23	1,635.57	4,230.33	3,058.41	6,200.18
(10)	Less : Provision for Taxation	740.73		1,074.25	(6.27)	(5.49)
(11)	Profit from ordinary activities after Tax	1,748.50	1,635.57	3,156.08	3,064.68	6,205.67
(12)	Prior Period Adjustments (net)		(4.81)		(1.44)	(6.41)
(13)	Net Profit for the period	1,748.50	1,630.76	3,156.08	3,063.24	6,199.26

910

MUKAND LIMITED		Rs. in lakhs				
		Quarter ended		Six months ended		Year ended
		30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09	31-Mar-10
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
SEGMENT REVENUE (net of Excise Duty)						
1)	Steel	51,837.06	43,082.59	99,655.40	78,903.39	163,310.79
2)	Industrial Machinery	6,924.70	8,059.06	13,295.90	15,276.44	30,310.50
3)	Road Construction	46.18	790.21	526.98	1,458.76	2,853.94
	Sub-total	58,807.94	51,931.86	113,478.28	95,638.59	196,475.23
	Less : Inter Segment Revenue	(57.83)	(50.35)	(164.08)	(98.23)	(181.03)
	Total Segment Revenue (net of Excise Duty)	58,750.11	51,881.51	113,314.20	95,540.36	196,294.20
SEGMENT RESULT						
1)	Steel	4,095.45	4,331.27	8,176.19	7,373.90	16,241.07
2)	Industrial Machinery	1,451.73	1,906.00	3,210.21	3,941.67	7,357.01
3)	Road Construction	(283.70)	(508.89)	(348.05)	(598.17)	(1,986.31)
	Less : Inter segment margin	(2.10)	(0.44)	(14.44)	(1.02)	(3.30)
	Total Segment Result	5,261.38	5,727.94	11,023.91	10,716.38	21,608.47
	Add / (Less) :					
	Other net un-allocable (expenditure) / income	1,024.79	(211.37)	1,203.11	(178.79)	(174.06)
	Profit before Interest and exceptional items	6,286.17	5,516.57	12,227.02	10,537.59	21,434.41
	Add / (Less) :					
	Finance / Lease charges (net)	(3,796.94)	(3,885.81)	(7,996.69)	(7,480.62)	(15,154.62)
	Exceptional Items - (Net Expenditure) / Net Income					(86.02)
	Profit after Prior period adjustments and before tax	2,489.23	1,630.76	4,230.33	3,056.97	6,193.77
Capital Employed as on				30-Sep-10	30-Sep-09	31-Mar-10
1)	Steel			281,462.55	262,467.92	276,538.92
2)	Industrial Machinery			34,076.61	29,509.01	30,392.83
3)	Road Construction			19,795.67	19,725.63	19,269.09
4)	Unallocable (net)			(145,978.56)	(128,859.99)	(141,077.72)
	Total Net Capital Employed* *			189,356.27	182,842.57	185,123.12

94

MUKAND LIMITED

	Quarter ended		Six months ended		Year ended
	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09	31-Mar-10
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
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
Reserves (excluding Revaluation Reserve)					43,348.08
Earnings per Share (EPS)	2.39	2.23	4.32	4.19	8.48
Public Shareholding					
Number of Shares	32,880,745	34,045,339	32,880,745	34,045,339	32,880,745
Percentage of Shareholding	44.97%	46.56%	44.97%	46.56%	44.97%
Disclosure in respect of pledged shares of Promoter and Promoter Group					
Shares held by Promoters & Promoter Group - Nos. (A)			40,233,384	39,068,790	40,233,384
Percentage of Total Share Capital			55.03%	53.44%	55.03%
Pledged / Encumbered - No. of Shares			16,224,415	17,195,715	16,395,975
Percentage of Total Share Capital			22.19%	23.52%	22.43%
Percentage of (A)			40.33%	44.01%	40.75%
Non Encumbered - No. of Shares			24,008,969	21,873,075	23,837,409
Percentage of Total Share Capital			32.84%	29.92%	32.60%
Percentage of (A)			59.67%	55.99%	59.25%

96

Statement of Assets and Liabilities as on	30-Sep-10 Unaudited	30-Sep-09 Unaudited	Rs lakhs
			31-Mar-10 Audited
1 SHAREHOLDERS' FUNDS			
a Capital	7,875.20	7,875.20	7,875.20
b Reserves and Surplus	181,481.07	174,967.37	177,247.92
2 LOAN FUNDS	168,825.34	153,206.41	168,195.34
TOTAL	358,181.61	336,048.98	353,318.46
3 FIXED ASSETS	213,153.13	214,869.99	214,780.72
4 INVESTMENTS	10,970.11	10,606.92	10,617.62
5 CURRENT ASSETS , LOANS AND ADVANCES			
a Inventories	82,900.19	65,005.45	77,116.36
b Sundry Debtors	81,194.73	72,952.66	74,389.74
c Cash and Bank Balances	7,762.25	7,938.54	10,182.59
d Other Current Assets	408.10	319.42	329.77
e Loans and Advances	37,621.19	37,530.50	37,072.70
<i>Sub-total</i>	<i>209,886.46</i>	<i>183,746.57</i>	<i>199,091.16</i>
Less : Current Liabilities and Provisions			
a Current Liabilities	66,453.27	65,912.51	62,929.14
b Provisions	9,718.15	7,772.35	8,606.06
<i>Sub-total</i>	<i>76,171.42</i>	<i>73,684.86</i>	<i>71,535.20</i>
Net Current Assets	133,715.04	110,061.71	127,555.96
6 Deferred Revenue Expenditure	343.33	510.36	364.16
TOTAL	358,181.61	336,048.98	353,318.46

July

Notes :

1. Company has during the quarter, completed the transfer and assignment of one twelfth of its lease hold rights in land situated at Dighe. Net income arising from this transaction has been included in the above results.
2. During the quarter, Company has purchased five shares in Mukand International FZE (MIFZE) of UAE dirham 1.00 million each from its wholly owned subsidiary, Mukand International Ltd (MIL). MIFZE was wholly owned subsidiary of MIL. Further, during the quarter, MIL has reduced its share capital from £ 600,000 to £ 1,000 and returned £ 599,000 to the Company.
3. Management's response to the qualifications of the auditors on the financial statements for the year ended 31.03.2010 :
 - a) Advances due from and investments made in Vidyavihar Containers Limited (VCL), aggregating Rs. 11,063.79 Lakhs has reduced to Rs. 10,975.99 Lakhs as at 30th Sept. 2010. The Company, barring any significant uncertainties in future, relies upon the VCL management's estimation of realizable values of the financial assets of VCL, and the Company also relies upon VCL management's estimation of its additional expected realization from its real estate development arrangement with a developer, to be able to recover its Exposures;
 - b) Investments and outstanding loans made in Mukand Global Finance Limited (MGFL), aggregating Rs. 2,684.95 Lakhs has remained same at Rs. 2,684.95 Lakhs as at 30th Sept. 2010. The Company is in the process of disposing off this investment and is negotiating the sale;
 - c) The debts due from Bombay Forgings Ltd. (BFL), aggregating Rs. 8,033.36 Lakhs has reduced to Rs.7,331.60 Lakhs as at 30th Sept. 2010 mainly due to write off of interest receivable of earlier years amounting to Rs 9.01 crores. The Company, considering its long term view on the Exposures, barring any significant uncertainties in future relies upon the projected future earnings from the business activities of BFL which are considered by the management to be adequate.
 - d) The debts and advances due from Stainless India Ltd. (SIL), aggregating Rs. 5.869.90 Lakhs has reduced to Rs.3,973.67 Lakhs as at 30th Sept. 2010 mainly due to write off of advances given in earlier years amounting to Rs 19.00 crores. The Company, barring any significant uncertainties relies upon the estimated realizable value of the unencumbered assets of SIL as at 30th Sept. 2010 which are considered by the management to be adequate.

92

.....2/-

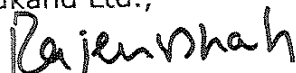
Page 2

- e) In view of the substantially large outstanding claims by the Company for incremental jobs executed, escalations and time-overruns for Road Construction Division, amounting to Rs. 11,919.33 Lakhs which have reduced to Rs. 11,890.89 Lakhs as at 30th Sept. 2010, losses currently expected are recognized as per the judgment of the management and the shortfall, if any, will be adjusted only on final settlement of claims which is expected by 30th Sept. 2011.
4. Tax expense includes provision for current tax, deferred tax and wealth tax.
 5. Figures in respect of previous quarter / six months / year have been regrouped / recast wherever necessary.
 6. During the quarter, 35 complaints were received from investors which have been resolved. No complaints of investors were pending at the beginning of the quarter as well as at the end of the quarter.
 7. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held 27th October, 2010. 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 : 27th October, 2010.

ga