



## MUKAND LIMITED

Regd. Office : Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021  
STANDALONE FINANCIAL RESULTS FOR HALF YEAR ENDED SEPTEMBER 30,2011

	Particulars	Quarter ended		Six months ended		Rs. in lakhs
		30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	31-Mar-11
(1)	<b>INCOME</b>					<b>Audited</b>
	Net Sales and Other Operating Income					
a)	Gross Sales	63,703.45	64,712.99	137,076.18	125,687.99	276,159.85
	Less : Excise Duty Recovered	5,429.18	5,800.35	11,864.52	11,305.10	24,131.48
	Net Sales	58,274.27	58,912.64	125,211.66	114,382.89	252,028.37
b)	Other Operating Income	837.58	967.13	1,965.66	1,500.45	3,544.10
	Net Sales and Other Operating Income	59,111.85	59,879.77	127,177.32	115,883.34	255,572.47
(2)	<b>EXPENDITURE</b>					
a)	(Increase) / Decrease in Stock in Trade	7,694.76	(2,401.57)	1,346.59	(9,865.35)	(16,941.86)
b)	Consumption of Raw Materials	26,973.10	31,679.16	66,704.61	63,572.26	137,913.94
c)	Purchase of Goods for Trade	387.73	1,079.82	622.26	1,408.80	3,496.00
d)	Stores, Spares, Components, Tools, etc. consumed	7,689.30	8,120.41	17,433.93	16,390.44	35,735.74
e)	Staff Costs	3,006.18	2,589.39	6,602.51	5,236.66	12,546.62
f)	Power & Fuel	4,847.37	4,006.70	10,182.84	8,240.35	17,904.20
g)	Other Expenditure	6,816.61	8,036.05	15,938.18	16,731.76	37,269.92
h)	Depreciation /Amortisation	1,435.62	1,628.94	3,042.56	3,227.93	6,780.69
	Total Expenditure	58,850.67	54,738.90	121,873.48	104,942.85	234,705.25
(3)	Profit from Operations before Expenditure during temporary closure ,Write Offs, Other Income, Interest & Exceptional items	261.18	5,140.87	5,303.84	10,940.49	20,867.22
(4)	Expenditure incurred during temporary closure of operations at Steel Plant, Ginigera, Karnataka (Refer Note 1)	(739.72)	—	(739.72)	—	—
(5)	Bad Debts / Advances written off	—	(2,801.26)	—	(2,801.26)	(2,801.26)
(6)	Profit / (Loss) from Operations before Other Income , Interest & Exceptional items	(478.54)	2,339.61	4,564.12	8,139.23	18,065.96
(7)	Other Income :					
a)	Net Income from transfer of Land	—	3,849.90	—	3,849.90	3,849.90
b)	Other Income	120.18	96.66	178.99	237.89	484.21
(8)	Interest and Lease Charges (net)	(4,381.90)	(3,796.94)	(8,640.47)	(7,996.69)	(16,264.33)
(9)	Exceptional Items (Refer Note 2)	(1,905.62)	—	(1,905.62)	—	—
(10)	Profit/(Loss) from ordinary activities before Tax	(6,645.88)	2,489.23	(5,802.98)	4,230.33	6,135.74
(11)	Less : Provision for Taxation	(1,722.94)	740.73	(1,465.28)	1,074.25	1,469.36
(12)	Profit / (Loss) from ordinary activities after Tax	(4,922.94)	1,748.50	(4,337.70)	3,156.08	4,666.38
(13)	Prior Period Adjustments (net)	(0.03)	—	(0.03)	—	(0.70)
(14)	Net Profit / (Loss) for the period	(4,922.97)	1,748.50	(4,337.73)	3,156.08	4,665.68

## MUKAND LIMITED

Rs. in lakhs

		Quarter ended		Six months ended		Year ended
		30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10	31-Mar-11
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
(15)	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
(16)	Reserves (excluding Revaluation Reserve)					47,163.94
(17)	Earnings per Share (EPS) - Rs	(6.73)	2.39	(5.93)	4.32	6.38
(18)	Public Shareholding					
	Number of Shares	32,832,001	32,880,745	32,832,001	32,880,745	32,832,001
	Percentage of Shareholding	44.91%	44.97%	44.91%	44.97%	44.91%
(19)	Disclosure in respect of pledged shares of Promoters and Promoter Group					
	Shares held by Promoters & Promoter Group - Nos. (A)			40,282,128	40,233,384	40,282,128
	Percentage of Total Share Capital			55.09%	55.03%	55.09%
	Pledged / Encumbered - No. of Shares			17,018,723	16,224,415	16,935,735
	Percentage of Total Share Capital			23.28%	22.19%	23.16%
	Percentage of (A)			42.25%	40.33%	42.04%
	Non Encumbered - No. of Shares			23,263,405	24,008,969	23,346,393
	Percentage of Total Share Capital			31.81%	32.84%	31.93%
	Percentage of (A)			57.75%	59.67%	57.96%

## MUKAND LIMITED

Rs. in lakhs

		Quarter ended		Six months ended		31-Mar-11 Audited
		30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10	
		Unaudited	Unaudited	Unaudited	Unaudited	
<b>SEGMENT REVENUE (net of Excise Duty)</b>						
1)	Steel	51,937.10	51,999.59	113,393.62	100,724.09	223,993.37
2)	Industrial Machinery	6,454.45	6,924.70	12,295.22	13,295.90	26,929.38
3)	Road Construction	—	46.18	—	526.98	1,462.14
4)	Other Products	237.11	—	672.17	—	306.93
	Sub-total	58,628.66	58,970.47	126,361.01	114,546.97	252,691.82
	Less : Inter Segment Revenue	(354.39)	(57.83)	(1,149.35)	(164.08)	(663.45)
	Total Segment Revenue (net of Excise Duty)	58,274.27	58,912.64	125,211.66	114,382.89	252,028.37
<b>SEGMENT RESULT</b>						
1)	Steel	(1,736.89)	4,095.45	2,212.08	8,176.19	13,352.68
2)	Industrial Machinery	1,743.11	1,451.73	2,866.70	3,210.21	8,022.48
3)	Road Construction	(47.99)	(283.70)	(169.53)	(348.05)	(1,144.02)
4)	Other Products	108.51	—	306.16	—	143.87
	Less : Inter segment margin	(11.12)	(2.10)	(56.39)	(14.44)	(25.72)
	Total Segment Result	55.62	5,261.38	5,159.02	11,023.91	20,349.29
	Add / (Less) :					
	Other net un-allocable (expenditure) / income	(414.01)	1,024.79	(415.94)	1,203.11	2,050.08
	Profit / (Loss) before Interest	(358.39)	6,286.17	4,743.08	12,227.02	22,399.37
	Add / (Less) :					
	Interest / Lease charges (net)	(4,381.90)	(3,796.94)	(8,640.47)	(7,996.69)	(16,264.33)
	Exceptional Items - (Net Expenditure) / Net Income	(1,905.62)	—	(1,905.62)	—	—
	Profit / (Loss) after Prior period adjustments and before tax	(6,645.91)	2,489.23	(5,803.01)	4,230.33	6,135.04
<b>Capital Employed as on</b>						
				# 30-Sep-11	30-Sep-10	# 31-Mar-11
1)	Steel			308,135.16	281,462.55	308,577.79
2)	Industrial Machinery			39,689.67	34,076.61	39,334.81
3)	Road Construction			18,523.54	19,795.67	18,108.19
4)	Other Products			5,189.48	—	5,337.51
5)	Unallocable (net)			(153,503.04)	(145,978.56)	(147,520.48)
	Total Net Capital Employed			218,034.81	189,356.27	223,837.82

# Includes further revaluation made in Mar'11

Statement of Assets and Liabilities as on		30-Sep-11 Unaudited	30-Sep-10 Unaudited	Rs lakhs 31-Mar-11 Audited
1	SHAREHOLDERS' FUNDS			
a	Capital	7,875.20	7,875.20	7,875.20
b	Reserves and Surplus	210,159.61	180,404.00	214,497.34
2	Deferred Tax Liability (net)	—	1,077.07	1,465.28
3	LOAN FUNDS	175,566.41	168,825.34	174,705.63
	<b>TOTAL</b>	<b>393,601.22</b>	<b>358,181.61</b>	<b>398,543.45</b>
4	FIXED ASSETS	244,772.81	213,153.13	245,583.88
5	INVESTMENTS	10,966.77	10,970.11	10,966.77
6	CURRENT ASSETS , LOANS AND ADVANCES			
a	Inventories	94,502.62	82,900.19	92,516.04
b	Sundry Debtors	81,150.50	81,194.73	87,332.21
c	Cash and Bank Balances	7,598.95	7,762.25	10,438.29
d	Loans and Advances	40,109.64	38,029.29	34,306.20
	<i>Sub-total</i>	<i>223,361.71</i>	<i>209,886.46</i>	<i>224,592.74</i>
	Less : Current Liabilities and Provisions			
a	Current Liabilities	79,357.65	66,453.27	75,683.15
b	Provisions	6,440.97	9,718.15	7,237.73
	<i>Sub-total</i>	<i>85,798.62</i>	<i>76,171.42</i>	<i>82,920.88</i>
	Net Current Assets	137,563.09	133,715.04	141,671.86
7	Deferred Revenue Expenditure	298.55	343.33	320.94
	<b>TOTAL</b>	<b>393,601.22</b>	<b>358,181.61</b>	<b>398,543.45</b>

**Notes :**

1. During the quarter, the Company had to temporarily shut its operations at the Steel Plant at Ginigera, Karnataka, for 35 days during August and September 2011. This was on account of scarcity of iron ore which was further aggravated due to directives of the Hon'ble Supreme Court of India for suspension of raising iron ore from all the mines in the State of Karnataka. The expenditure incurred during this period aggregate Rs.7.40 crores and has been disclosed separately in the results above.
2. Due to unusual depreciation in the value of the Rupee against the US Dollar over the last three months, the net unrealized loss aggregating Rs 19.06 crores on restatement of foreign currency monetary items at close of the quarter has been considered by the Company to be exceptional in nature.
3. Management's response to the qualifications of the auditors on the financial statements for the year ended 31.03.2011 :
  - a. Advances due from and investments made in Vidyavihar Containers Limited (VCL), aggregating Rs.10,975.99 Lakhs as at 31<sup>st</sup> March 2011 has reduced to Rs.8,136.99 Lakhs as at 30<sup>th</sup> September 2011. 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 made in Mukand Global Finance Limited (MGFL), aggregate Rs. 2,624.95 Lakhs as at 31<sup>st</sup> March 2011 (as at 30<sup>th</sup> September 2011 Rs 2,624.95 Lakhs) . 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.6,697.74 Lakhs as at 31<sup>st</sup> March 2011 has increased to Rs.6,838.78 Lakhs as at 30<sup>th</sup> September 2011. The Company, considering its long-term view on the Exposures, barring any significant uncertainties in future relies upon the valuation of unencumbered assets of BFL as at 31<sup>st</sup> March 2011 at Rs.7,557.00 Lakhs and the projected future earnings from the business activities of BFL which are considered by the management to be adequate.

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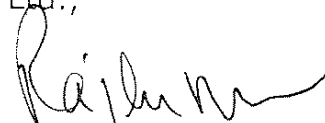
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- d. The debts and advances due from Stainless India Ltd. (SIL), aggregating Rs.3,965.99 Lakhs as at 31<sup>st</sup> March 2011 has reduced to Rs.3,927.91 Lakhs as at 30<sup>th</sup> September 2011. The Company, barring any significant uncertainties in future relies upon the estimated realizable value of the unencumbered assets of SIL as at 31<sup>st</sup> March 2011 at Rs.4,949.69 Lakhs which are considered by the management to be adequate.
- 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.11,472.74 Lakhs as at 31<sup>st</sup> March 2011, (Rs.11,472.74 Lakhs as at 30<sup>th</sup> September 2011) 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 to be settled progressively by 31<sup>st</sup> March 2012.
4. Provision for taxation includes provision for 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, 22 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 on 11th November 2011. 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 : 11<sup>th</sup> November, 2011.

Certified True Copy  
For MUKAND LIMITED



K.J. MALLYA  
COMPANY SECRETARY