

**MUKAND**  
Infinite resolve

## MUKAND LIMITED

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

STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31,2011

	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-11	30-Sep-11	31-Dec-10	31-Dec-11	31-Dec-10	31-Mar-11
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(1)	<b>INCOME</b>						
	Net Sales and Other Operating Income						
a)	Gross Sales	69,609.48	63,703.45	72,777.03	206,685.66	198,465.02	276,159.85
	Less : Excise Duty Recovered	5,634.04	5,429.18	6,182.16	17,498.56	17,487.26	24,131.48
	Net Sales	63,975.44	58,274.27	66,594.87	189,187.10	180,977.76	252,028.37
b)	Other Operating Income	1,083.22	837.58	702.86	3,048.88	2,099.96	3,544.10
	Net Sales and Other Operating Income	65,058.66	59,111.85	67,297.73	192,235.98	183,077.72	255,572.47
(2)	<b>EXPENDITURE</b>						
a)	(Increase) / Decrease in Stock in Trade	(12,533.32)	7,694.76	(4,705.54)	(11,186.73)	(14,570.89)	(16,941.86)
b)	Consumption of Raw Materials	42,467.15	26,973.10	37,852.69	109,171.76	101,424.95	137,913.94
c)	Purchase of Goods for Trade	481.23	387.73	1,129.24	1,103.49	2,538.04	3,496.00
d)	Stores, Spares, Components, Tools, etc. consumed	9,712.48	7,689.30	9,146.24	27,146.41	25,536.68	35,735.74
e)	Staff Costs	3,419.15	3,066.98	3,491.67	10,082.46	8,728.33	12,546.62
f)	Power & Fuel	5,664.55	4,847.37	4,662.67	15,847.39	12,903.02	17,904.20
g)	Other Expenditure	8,795.91	8,318.29	9,270.52	26,235.77	25,898.93	37,269.92
h)	Depreciation /Amortisation	1,671.45	1,632.69	1,691.94	4,911.08	4,919.87	6,780.69
	Total Expenditure	59,678.60	60,610.22	62,539.43	183,311.63	167,378.93	234,705.25
(3)	Profit /(Loss) from Operations before Write Offs, Other Income, Interest & Exceptional items	5,380.06	(1,498.37)	4,758.30	8,924.35	15,698.79	20,867.22
(4)	Bad Debts / Advances written off					(2,801.26)	(2,801.26)
(5)	Profit / (Loss) from Operations before Other Income , Interest & Exceptional items	5,380.06	(1,498.37)	4,758.30	8,924.35	12,897.53	18,065.96
(6)	Other Income :						
a)	Net Income from transfer of Land					3,849.90	3,849.90
b)	Other Income	38.22	120.18	233.92	217.21	471.81	484.21
(7)	Interest and Lease Charges (net)	(4,563.77)	(4,381.95)	(3,885.00)	(13,204.29)	(11,881.69)	(16,264.33)
(8)	Exceptional Items (Refer Note 1 & 4)	(1,728.62)	(885.74)		(2,614.36)		
(9)	Profit/(Loss) from ordinary activities before Tax	(874.11)	(6,645.88)	1,107.22	(6,677.09)	5,337.55	6,135.74
(10)	Less : Provision for Taxation	(22.53)	(1,722.94)	397.20	(1,487.81)	1,471.45	1,469.36
(11)	Profit / (Loss) from ordinary activities after Tax	(851.58)	(4,922.94)	710.02	(5,189.28)	3,866.10	4,666.38
(12)	Prior Period Adjustments (net)		(0.03)		(0.03)		(0.70)
(13)	Net Profit / (Loss) for the period	(851.58)	(4,922.97)	710.02	(5,189.31)	3,866.10	4,665.68

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## MUKAND LIMITED

Rs. in lakhs

	Quarter ended			Nine months ended		Year ended
	31-Dec-11	30-Sep-11	31-Dec-10	31-Dec-11	31-Dec-10	31-Mar-11
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(14) 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
(15) Reserves (excluding Revaluation Reserve)						47,163.94
(16) Earnings per Share (EPS) - Rs	(1.16)	(6.73)	0.97	(7.10)	5.29	6.38
(17) Public Shareholding						
Number of Shares	32,703,547	32,832,001	32,835,745	32,703,547	32,835,745	32,832,001
Percentage of Shareholding	44.73%	44.91%	44.91%	44.73%	44.91%	44.91%
(18) Disclosure in respect of pledged shares of Promoters and Promoter Group						
Shares held by Promoters & Promoter Group - Nos. (A)	40,410,582	40,282,128	40,278,384	40,410,582	40,278,384	40,282,128
Percentage of Total Share Capital	55.27%	55.09%	55.09%	55.27%	55.09%	55.09%
Pledged / Encumbered - No. of Shares	18,328,179	17,018,723	16,224,415	18,328,179	16,224,415	16,935,735
Percentage of Total Share Capital	25.07%	23.28%	22.19%	25.07%	22.19%	23.16%
Percentage of (A)	45.35%	42.25%	40.28%	45.35%	40.28%	42.04%
Non Encumbered - No. of Shares	22,082,403	23,263,405	24,053,969	22,082,403	24,053,969	23,346,393
Percentage of Total Share Capital	30.20%	31.81%	32.90%	30.20%	32.90%	31.93%
Percentage of (A)	54.65%	57.75%	59.72%	54.65%	59.72%	57.96%

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## MUKAND LIMITED

Rs. in Lakhs

	Quarter ended			Nine months ended		
	31-Dec-11	30-Sep-11	31-Dec-10	31-Dec-11	31-Dec-10	31-Mar-11
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>SEGMENT REVENUE (net of Excise Duty)</b>						
1) Steel	57,364.60	51,937.10	59,992.47	170,758.22	160,716.56	223,993.37
2) Industrial Machinery	6,708.80	6,454.45	6,391.20	19,004.02	19,687.10	26,929.38
3) Road Construction			291.11		818.09	1,462.14
4) Other Products	520.14	237.11		1,192.31		306.93
Sub-total	64,593.54	58,628.66	66,674.78	190,954.55	181,221.75	252,691.82
Less : Inter Segment Revenue	(618.10)	(354.39)	(79.91)	(1,767.45)	(243.99)	(663.45)
Total Segment Revenue (net of Excise Duty)	63,975.44	58,274.27	66,594.87	189,187.10	180,977.76	252,028.37
<b>SEGMENT RESULT</b>						
1) Steel	3,730.91	(3,496.44)	3,804.24	4,183.44	11,980.43	13,352.68
2) Industrial Machinery	1,736.30	1,743.11	1,845.44	4,603.00	5,055.65	8,022.48
3) Road Construction	(127.57)	(47.99)	(402.21)	(297.10)	(750.26)	(1,144.02)
4) Other Products	405.86	108.51		712.02		143.87
Less : Inter segment margin	(7.44)	(11.12)	(4.37)	(63.83)	(18.81)	(25.72)
Total Segment Result	5,738.06	(1,703.93)	5,243.10	9,137.53	16,267.01	20,349.29
Add / (Less) :						
Other net un-allocable (expenditure) / income	(319.78)	325.71	(250.88)	4.00	952.23	2,050.08
Profit / (Loss) before Interest and Exceptional items	5,418.28	(1,378.22)	4,992.22	9,141.53	17,219.24	22,399.37
Add / (Less) :						
Interest / Lease charges (net)	(4,563.77)	(4,381.95)	(3,885.00)	(13,204.29)	(11,881.69)	(16,264.33)
Exceptional Items - (Net Expenditure) / Net Income	(1,728.62)	(885.74)		(2,614.36)		
Profit / (Loss) after Prior period adjustments and before tax	(874.11)	(6,645.91)	1,107.22	(6,677.12)	5,337.55	6,135.04
<b>Capital Employed as on</b>						
	# 31-Dec-11	# 30-Sep-11	31-Dec-10	# 31-Dec-11	31-Dec-10	#31-Mar-11
1) Steel	309,718.53	308,135.16	280,519.76	309,718.53	280,519.76	308,577.79
2) Industrial Machinery	40,780.75	39,689.67	35,440.72	40,780.75	35,440.72	39,334.81
3) Road Construction	18,489.81	18,523.54	19,134.75	18,489.81	19,134.75	18,108.19
4) Other Products	5,119.98	5,189.48		5,119.98		5,337.51
5) Unallocable (net)	(156,925.84)	(153,503.04)	(144,631.74)	(156,925.84)	(144,631.74)	(147,520.48)
Total Net Capital Employed	217,183.23	218,034.81	190,463.49	217,183.23	190,463.49	223,837.82

# Includes further revaluation made in Mar'11

**Notes :**

1. Due to unusual depreciation of Rupee against foreign currencies, the net unrealized loss of Rs.17.29 crores on account of restatement of foreign currency monetary items as at the end of the quarter has been considered by the Company to be exceptional in nature.
2. 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 31<sup>st</sup> December 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 31<sup>st</sup> December 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 and advances due from Bombay Forgings Ltd. (BFL), aggregating Rs.6,697.74 Lakhs as at 31<sup>st</sup> March 2011 has increased to Rs.7,273.63 Lakhs as at 31<sup>st</sup> December 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.
  - 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.3,955.22 Lakhs as at 31<sup>st</sup> December 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.

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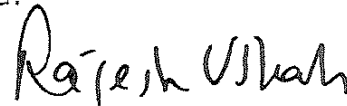
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- e) In view of the substantially large outstanding claims by the Company for incremental jobs executed, escalations and time-overruns for Road Construction Division, amounting to Rs.11,472.74 Lakhs as at 31<sup>st</sup> March 2011, (Rs.11,472.74 Lakhs as at 31<sup>st</sup> December 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.
3. Provision for taxation (net) includes provision for deferred tax and wealth tax.
  4. Figures in respect of previous quarter / nine months / year have been regrouped / recast wherever necessary. The expenditure of Rs 7.40 crores during temporary closure of operations at Steel Plant, Ginigera, Karnataka, disclosed separately during the second quarter has been regrouped under natural heads of expenses. Net unrealized loss of Rs 19.06 crores on restatement of foreign currency monetary items considered to be exceptional in nature during the second quarter has been regrouped on account of realized loss of Rs 10.20 crores.
  5. During the quarter, 7 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.
  6. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 9<sup>th</sup> February 2012. 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 : 9<sup>th</sup> February, 2012.

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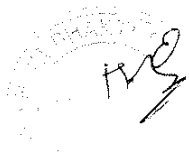
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Chartered Accountants

**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 and nine months ended December 31, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 statements 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 statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our report, we invite attention to :  
  
Note No 2 (c) of the notes to the financial results, relating to the Exposures in Bombay Forging Limited (BFL) aggregating to Rs 7,273.63 lacs as at December 31, 2011 (Rs 7,206.85 lacs as at December 31, 2010), where the management has, barring any significant uncertainties in future, relied upon the projected future earnings from the business activities of BFL.
4. As stated in note 2(a), 2(b), 2(d) and 2(e) of the unaudited financial result as on December 31, 2011, no provision has been made with regard to :
  - a) The realisability of the 'Exposures' in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs 8,136.99 lacs (net) as at December 31, 2011 (Rs 10,975.99 lacs as at December 31, 2010), due to significant uncertainties in recovering its investment and loans which is dependent on the ultimate realization of the assets of VCL;
  - b) The realisability of the 'Exposures' in Mukand Global Finance Limited (MGFL), a subsidiary Company, aggregating Rs 2,624.95 lacs as at December 31, 2011 (Rs 2,624.95 lacs as at December 31, 2010) where the management is in process of disposing its investments;



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- c) *The realisability of the 'Exposures' in Stainless India Limited (SIL), an associate company, aggregating Rs 3,955.22 lacs (net) as at December 31, 2011(Rs 3,978.01 lacs as at December 31, 2010), where the networth of SIL has been completely eroded and there is no significant activity being carried out by SIL.*
- d) *The company's outstanding claims of Rs 11,472.74 lacs as at December 31, 2011 (Rs 11,878.02 lacs as at December 31, 2010) for incremental jobs execution, escalations and time overruns for the road construction activity, where the outcome is dependent on the final settlement of the claims by National Highway Authority of India (NHAI).*

*The overall impact of the matters stated in para 4(a) to 4(d), if any, on the unaudited financial results, is currently not ascertainable.*

*Our audit report on the financial statements for the year ended March 31, 2011 was qualified in respect of the matter stated above.*

5. Based on our review conducted as above, *subject to the effects of the our observations given in Para 4*, 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 notified pursuant to Companies (Accounting Standards) Rules, 2006 and/or Accounting Standards issued by Institute of Chartered Accountants of India] 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.

For Haribhakti & CO.  
Chartered Accountants  
Firm Registration No: 103523W

  
Sumant Sakhardande  
Partner  
Membership No.: 34828

Mumbai  
Date: 9 February, 2012