HARIBHAKTI & CO.
Chartered Accountants

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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, 2012 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 1 (c) of the notes to the financial results, relating to the Exposures in Bombay Forging Limited (BFL) aggregating to Rs 7,581.80 lacs as at September 30, 2012 (Rs 6,838.78 lacs as at September 30, 2011), 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 1(a), 1(b), 1(d) and 1(e) of the unaudited financial results as on September 30, 2012, no provision has been made with regard to :*

   a) *The realisability of the 'Exposures' in Vidyavihar Containers Limited (VCL), a subsidiary company, aggregating Rs 7,636.99 lacs (net) as at September 30, 2012 (Rs 8,136.99 lacs as at September 30, 2011),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 'Investments' in Mukand Global Finance Limited (MGFL), a subsidiary Company, aggregating Rs 2,624.95 lacs as at September 30, 2012 (Rs 2,624.95 lacs as at September 30, 2011) where the proposal for disposal of this investment is under consideration by management and ultimate shortfall if any, in the realization shall be accounted at the point of disposal;*

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Continuation Sheet

c) *The realisability of the 'Exposures' in Stainless India Limited (SIL), an associate company, aggregating Rs1500.00 lacs (net) as at September 30, 2012 (Rs 3,927.91 lacs as at September 30, 2011), where the networth of SIL has been completely eroded and there is no significant activity being carried out by SIL;*

d) *Expected realisation by the company of Rs 11,278.88 lacs as at September 30, 2012 (Rs 11,472.74 lacs as at September 30, 2011) from substantially large outstanding claims of Centrodorstroy, Russia on NHAI for the road construction activity, which is dependent on the final settlement of the claims by NHAI, expected to be settled progressively.*

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, 2012 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

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Sumant Sakhardande
Partner
Membership No.: 034828

Mumbai
Date: November 09, 2012

MUKAND
Infinite resolve

MUKAND LIMITED

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED SEPTEMBER 30,2012

Rs. in lakhs

	Particulars	Three months ended			Six months ended		Year ended
		30-Sep-12	30-Jun-12	30-Sep-11	30-Sep-12	30-Sep-11	31-Mar-12
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(1)	INCOME FROM OPERATIONS						
a)	Gross Sales	52,693.55	68,417.40	63,703.45	121,110.95	137,076.18	277,853.32
	Less : Excise Duty Recovered	5,180.80	6,775.53	5,429.18	11,956.33	11,864.52	23,445.30
	Net Sales	47,512.75	61,641.87	58,274.27	109,154.62	125,211.66	254,408.02
b)	Other Operating Income	5,031.14	1,112.88	837.58	6,144.02	1,965.66	4,703.88
	Total Income from Operations	52,543.89	62,754.75	59,111.85	115,298.64	127,177.32	259,111.90
(2)	EXPENSES						
a)	Cost of materials consumed	27,019.11	37,795.83	26,973.10	64,814.94	66,704.61	139,420.49
b)	Changes in inventories of finished goods and work-in-progress	3,158.70	(4,090.38)	7,694.76	(931.68)	1,346.59	(4,452.05)
c)	Stores, Spares, Components, Tools, etc. consumed	7,312.64	9,671.61	8,077.03	16,984.25	18,056.19	37,818.46
d)	Power & Fuel	3,950.80	4,931.82	4,847.37	8,882.62	10,182.84	20,653.49
e)	Employee benefits expense	3,258.90	3,538.06	3,066.98	6,796.96	6,663.31	13,185.23
f)	Depreciation and Amortisation expenses	1,592.80	1,587.41	1,632.69	3,180.21	3,239.63	6,572.33
g)	Unrealised Foreign Exchange Loss / (Gain)	(839.41)	1,711.23	1,907.58	871.82	1,905.62	1,668.18
h)	Other Expenditure	7,423.58	8,109.61	7,296.48	15,533.19	16,420.01	37,147.15
	Total Expenses	52,877.12	63,255.19	61,495.99	116,132.31	124,518.80	252,013.28
(3)	Profit / (Loss) from Operations before Other Income , Finance Costs & Net Exceptional income	(333.23)	(500.44)	(2,384.14)	(833.67)	2,658.52	7,098.62
(4)	Other Income	91.00	74.80	120.18	165.80	178.99	250.55
(5)	Profit/(Loss) from Ordinary Activities before Finance Costs & Exceptional income	(242.23)	(425.64)	(2,263.96)	(667.87)	2,837.51	7,349.17
	Less:						
(6)	Finance Costs (net)	4,987.07	4,965.81	4,381.95	9,952.88	8,640.52	18,186.66
(7)	Profit/(Loss) from ordinary activities before Exceptional income	(5,229.30)	(5,391.45)	(6,645.91)	(10,620.75)	(5,803.01)	(10,837.49)
(8)	Net Exceptional - Income / (Expenditure)	10,832.64	--	--	10,832.64	--	--
(9)	Profit/(Loss) from ordinary activities before Tax	5,603.34	(5,391.45)	(6,645.91)	211.89	(5,803.01)	(10,837.49)
(10)	Less : Tax Expense (Deferred Tax)	1,623.26	(1,623.26)	(1,722.94)		(1,465.28)	(1,487.81)
(11)	Net Profit / (Loss) from ordinary activities after Tax	3,980.08	(3,768.[illegible])	([illegible].97)	211.89	(4,337.73)	(9,349.68)

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HARI BHAKTI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

MUKAND LIMITED

Rs. in lakhs

		Quarter ended			Six months ended		Year ended
		30-Sep-12	30-Jun-12	30-Sep-11	30-Sep-12	30-Sep-11	31-Mar-12
		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)						37,814.18
(14)	Earnings per Share (EPS) - Rs						
	Basic and Diluted EPS (in Rs.)						
	- Including exceptional items	5.44	(5.15)	(6.73)	0.29	(5.93)	(12.79)
	- Excluding exceptional items	(7.15)	(5.15)	(6.73)	(14.53)	(5.93)	(12.79)
A	**PARTICULARS OF SHAREHOLDING**						
(1)	Public Shareholding						
	Number of Shares				32,206,018	32,832,001	32,360,026
	Percentage of Shareholding				44.05%	44.91%	44.26%
(2)	Disclosure in respect of pledged shares of Promoters and Promoter Group						
	Shares held by Promoters & Promoter Group - Nos. (A)				40,908,111	40,282,128	40,754,103
	Percentage of Total Share Capital				55.95%	55.09%	55.74%
	Pledged / Encumbered - No. of Shares				18,328,179	17,018,723	18,328,179
	Percentage of Total Share Capital				25.07%	23.28%	25.07%
	Percentage of (A)				44.80%	42.25%	44.97%
	Non Encumbered - No. of Shares				22,579,932	23,263,405	22,425,924
	Percentage of Total Share Capital				30.88%	31.81%	30.67%
	Percentage of (A)				55.20%	57.75%	55.03%

		Quarter ended 30-Sep-12
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	16
	Disposed of during the quarter	16
	Remaining unresolved at the end of the quarter	Nil

MUKAND LTD. MUMBAI-400 021.

HARI BHAKTI & CO. CHARTERED ACCOUNTANTS MUMBAI

MUKAND LIMITED

Rs. in lakhs

		Quarter ended			Six months ended		
		30-Sep-12	30-Jun-12	30-Sep-11	30-Sep-12	30-Sep-11	31-Mar-12
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	SEGMENT REVENUE (net of Excise Duty)						
1)	Steel	44,396.04	54,024.64	51,937.10	98,420.68	113,393.62	229,065.98
2)	Power Generation	598.58	812.52	310.21	1,411.10	807.46	1,998.85
3)	Industrial Machinery	3,242.52	3,202.50	6,454.45	6,445.02	12,295.22	26,038.00
4)	Road Construction	--	4,444.42	--	4,444.42	--	--
	Sub-total	48,237.14	62,484.08	58,701.76	110,721.22	126,496.30	257,102.83
	Less : Inter Segment Revenue	(724.39)	(842.21)	(427.49)	(1,566.60)	(1,284.64)	(2,694.81)
	Total Segment Revenue (net of Excise Duty)	47,512.75	61,641.87	58,274.27	109,154.62	125,211.66	254,408.02
	SEGMENT RESULT						
1)	Steel	(2,663.77)	(1,739.80)	(4,270.36)	(4,403.57)	(568.50)	(147.34)
2)	Power Generation	444.35	684.48	181.61	1,128.83	441.45	1,362.97
3)	Industrial Machinery	121.11	755.38	1,743.11	876.49	2,866.70	5,860.58
4)	Road Construction	(175.05)	(177.08)	(47.99)	(352.13)	(169.53)	(434.90)
	Less : Inter segment margin	(13.39)	--	(11.12)	(13.39)	(56.39)	(76.00)
	Total Segment Result	(2,286.75)	(477.02)	(2,404.75)	(2,763.77)	2,513.73	6,565.31
	Add / (Less) :						
	Other net un-allocable (expenditure) / income	2,044.52	51.38	140.79	2,095.90	323.78	783.86
	Profit before Finance costs	(242.23)	(425.64)	(2,263.96)	(667.87)	2,837.51	7,349.17
	Less :						
	Finance costs (net)	4,987.07	4,965.81	4,381.95	9,952.88	8,640.52	18,186.66
	Net Exceptional - Income / (Expenditure)	10,832.64	--	--	10,832.64	--	--
	Profit / (Loss) after Prior period adjustments and before tax	5,603.34	(5,391.45)	(6,645.91)	211.89	(5,803.01)	(10,837.49)

	Capital Employed as on	30-Sep-12	30-Sep-11	31-Mar-12
1)	Steel	335,482.70	308,135.16	314,026.65
2)	Power Generation	4,917.80	5,189.48	5,087.70
3)	Industrial Machinery	40,060.95	39,689.67	39,970.58
4)	Road Construction	17,321.65	18,523.54	18,434.82
5)	Unallocable (net)	(185,206.79)	(153,503.04)	(164,935.88)
	Total Net Capital Employed	212,576.31	218,034.81	212,583.87

MUKAND LIMITED **Rs. in lakhs**

	Statement of Assets and Liabilities as on	30-Sep-12	30-Sep-11	31-Mar-12
A	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' Funds**			
	(a) Share Capital	7,875.20	7,875.20	7,875.20
	(b) Reserves and surplus	204,701.11	210,159.61	204,708.67
	Sub-total Shareholders' Funds	212,576.31	218,034.81	212,583.87
(2)	**Non Current Liabilities**			
	(a) Long-term borrowings	73,600.25	83,076.14	77,418.66
	(b) Deferred tax liabilities (net)			
	(c) Other long term liabilities	1,235.29	448.50	1,225.29
	(d) Long-term provisions	2,888.50	2,422.72	2,848.69
	Sub total Non Current Liabilities	77,724.04	85,947.36	81,492.64
(3)	**Current Liabilities**			
	(a) Short-term borrowings	98,284.19	67,219.50	84,055.11
	(b) Trade payables	68,896.47	65,596.83	73,272.06
	(c) Other current liabilities	60,410.70	38,583.09	43,868.92
	(d) Short-term provisions	463.19	836.70	453.30
	Sub total Current Liabilities	228,054.55	172,236.12	201,649.39
	TOTAL EQUITY AND LIABILITIES	518,354.90	476,218.29	495,725.90
B	**ASSETS**			
(1)	**Non Current Assets**			
	(a) Fixed Assets	253,313.21	244,772.81	249,433.58
	(b) Non-current investments	10,971.73	10,966.77	10,966.77
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances	11,131.21	10,101.04	12,288.17
	(e) Other non-current assets	4,828.26	4,828.26	4,828.26
	Non Current Assets	280,244.41	270,668.88	277,516.78
(2)	**Current Assets**			
	(a) Inventories	98,864.78	94,502.62	99,631.31
	(b) Trade receivables	93,647.91	80,856.47	87,698.44
	(c) Cash and Bank Balances	6,808.13	7,598.95	7,868.71
	(d) Short-term loans and advances	18,929.68	22,297.34	22,716.63
	(e) Other Current Assets	19,859.99	294.03	294.03
	Sub total Current Assets	238,110.49	205,549.41	218,209.12
	TOTAL ASSETS	518,354.90	476,218.29	495,725.90

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HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Notes :

1. Management's response to the qualifications / observations of the auditors on the financial statements for the year ended 31.03.2012 :

   a. Advances due from and investments made in Vidyavihar Containers Limited (VCL), aggregating Rs.7,636.99 Lakhs as on 31st March 2012 stands at Rs.7,636.99 Lakhs as on 30th September 2012. The Company, barring any significant uncertainties in future, relies upon the VCL management's estimation of realizable values of the financial assets of VCL.

   b. As regards investments made in Mukand Global Finance Limited (MGFL), aggregating Rs.2,624.95 Lakhs, the proposal for disposal of this investment is under consideration and ultimate shortfall if any, in the realization shall be accounted at the point of disposal.

   c. The debts and advances due from and investments made in Bombay Forgings Ltd.(BFL), aggregating Rs.7,085.59 Lakhs as at 31st March 2012 has increased to Rs.7,581.80 Lakhs as at 30th September 2012. The said increase is on account of advance given to BFL for supply of scrap arisings. 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 31st March 2012 at Rs.7,992.00 Lakhs and the projected future business activities of BFL which are considered by the management to be adequate.

   d. The Management has as a matter of prudence, written off Rs.2,528.91 Lakhs during the quarter out of advances given to Stainless India Ltd. on the basis of present judgment of the Management in the current depressed market. Debt / Advances recoverable have therefore reduced to Rs.1,500 Lakhs (amount as at 31st March 2012 Rs.4,027.68 Lakhs).

   e. Road Construction Projects' losses currently expected are recognized as per the judgment of the management on the substantially large outstanding claims of Centrodorstroy, Russia on NHAI for escalations, incremental jobs executed, and time-overruns. The shortfall in these claims if any, in future, will be adjusted only on final settlement of claims which is expected to be settled progressively. The amount expected to be realized from these claims is estimated at Rs.11,278.88 Lakhs as at 30th September 2012 (Rs.11,326.88 Lakhs as at 31st March 2012).

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MUKAND LTD. MUMBAI-4

PARI BHAKTI & CO. CHARTERED ACCOUNTANTS MUMBAI

2. a) The Shareholders of the Company have by postal ballot approved the sale of its business of cold finished bars and wires to a subsidiary viz., Technosys Metal Processing Ltd. Effect of transfer of this business comprising transfer of its rights, title and interest in the movable and intangible assets has been considered in the Quarter.

   b) In the first week of November 2012, the Company has at its Steel Plant at Ginigera, Karnataka, commenced commercial production in Sinter Plant to enable it to use iron ore fines and thereby reduce the cost of making steel. Company also expects to commission Hot Blast Stoves and Pullverized Coal Injection system at the said Steel Plant in the fourth quarter of the year.

3. Exceptional income (net) Rs.10,832.64 Lakhs includes, (i) Goodwill amounting to Rs.16,610.17 Lakhs on transfer of the business of cold finished bars and wires to a subsidiary, viz., Technosys Metal Processing Ltd., (ii) writing off of advances recoverable from Stainless India Ltd. amounting to Rs.2,528.91 Lakhs and (iii) unamortized lease charges amounting to Rs.3,248.62 Lakhs of Power Plant for captive use at Dighe, Thane.

4. Figures in respect of previous year / quarter / half year have been regrouped / recast wherever necessary.

5. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 9th November, 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 : 9th November, 2012.

MUKAND LTD. MUMBAI-400 021.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS