

Mahindra UGINE Steel Co. Ltd.



Regd. Office : 74, Ganesh Apartment, 7th Floor,
Opp. Sitladevi Temple, Lady Jamshedji Road,
Mahim, Mumbai – 400 016.
CIN No. : L99999MH1962PLC012542
Tel: 022 – 2444 4287. Telefax: 022 – 2445 8196
Website : www.muscoindia.com

Hand Delivery/Email

20th October, 2014

Email: corp.relations@bseindia.com BSE Limited Corporate Relationship Department, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001. BSE Scrip Code: 504823	Email: cmlist@nse.co.in National Stock Exchange of India Ltd., Corporate Relationship Department, Exchange Plaza, 5 th Floor, Plot no.C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. NSE Scrip Code: MAHINDUGIN
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Sub : Unaudited financial results for the 2nd quarter and half year ended 30th September, 2014.

Dear Sir/Madam,

Pursuant to clause 41 of the Listing Agreement, please find enclosed the Unaudited Financial Results of the Company for the 2nd quarter and half year ended 30th September, 2014, along with the Limited Review Report, duly approved by the Board of Directors at its meeting held on 20th October, 2014.

Kindly acknowledge receipt and take the same on the records.

Thanking you,

Yours faithfully,

For Mahindra UGINE Steel Company Limited


Ajay Kadhao
Company Secretary &
Compliance Officer



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PART I

(Rs. in lakhs)

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

	Particulars	Quarter ended 30/09/2014		Quarter ended 30/06/2014		Quarter ended 30/09/2013		Half Year ended 30/09/2014		Half Year ended 30/09/2013		Financial Year ended 31/03/2014	
		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited	Audited
1	Gross sales/income from operations	165,58.86		165,99.05		153,39.94		331,57.91		323,22.74		676,64.71	
	Less: Excise duty	15,15.71		15,63.33		14,20.93		30,79.04		30,54.13		65,12.17	
a.	Net sales/income from operations	150,43.15		150,35.72		139,19.01		300,78.87		292,68.61		611,52.54	
b.	Other operating income	27,77.49		27,56.60		24,42.79		55,34.09		53,22.58		111,48.67	
	Total income from operations (1a+1b)	178,20.64		177,92.32		163,61.80		356,12.96		345,91.19		723,01.21	
2	Expenses												
a.	Cost of materials consumed (including outside processing charges)	129,61.96		130,00.57		118,36.36		259,62.53		253,30.44		533,10.66	
b.	Changes in inventories of finished goods, work-in-progress and stock in trade	(28.38)		41.17		69.35		12.79		1,76.22		(0.51)	
c.	Employee benefit expenses	20,24.75		19,00.30		16,65.12		39,25.05		32,72.07		65,39.74	
d.	Depreciation and amortisation expense (See note 3)	4,77.33		5,07.21		4,02.28		9,84.54		7,88.24		16,06.77	
e.	Power and fuel	3,24.16		3,29.18		3,33.96		6,53.34		6,29.83		12,82.73	
f.	Stores and packing material consumed	4,47.84		3,91.09		4,45.76		8,38.93		8,63.44		17,05.54	
g.	Provision for doubtful debts	-		-		-		-		-		15,46.29	
h.	Other expenses	6,72.17		5,92.39		7,44.74		12,64.56		15,17.70		28,15.79	
	Total expenses	168,79.83		167,61.91		154,97.57		336,41.74		325,77.94		688,07.01	
3	Profit from operations before other income, finance costs and exceptional items (1-2)	9,40.81		10,30.41		8,64.23		19,71.22		20,13.25		34,94.20	
4	Other income	2,39.60		2,41.98		63.95		4,81.58		77.21		5,82.58	
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	11,80.41		12,72.39		9,28.18		24,52.80		20,90.46		40,76.78	
6	Finance costs	10.92		4.97		6,82.60		15.89		13,40.55		13,90.99	
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	11,69.49		12,67.42		2,45.58		24,36.91		7,49.91		26,85.79	
8	Exceptional items:												
a.	Profit on sale of land and buildings	-		-		-		-		-		124,55.25	
b.	Profit on sale of long term investments	-		-		1,66.29		-		1,66.29		104,61.95	
	Total exceptional items	-		-		1,66.29		-		1,66.29		229,17.20	
9	Profit from ordinary activities before tax (7+8)	11,69.49		12,67.42		4,11.87		24,36.91		9,16.20		256,02.99	
10	Tax expense (See note 4)	3,54.97		4,02.69		69.19		7,57.66		2,07.12		67,88.11	
11	Net Profit from ordinary activities after tax (9-10)	8,14.52		8,64.73		3,42.68		16,79.25		7,09.08		188,14.88	
12	Paid-up equity share capital (Face Value of the Share Rs. 10 each)	32,71.47		32,67.18		32,48.25		32,71.47		32,48.25		32,66.43	
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year											324,98.63	
14	Earnings per share (EPS) (Face value Rs.10 per share) (in Rs.)												
a.	Basic (not annualised for quarters)												
	- Before exceptional item	2.49		2.65		0.54		5.14		1.67		4.84	
	- After exceptional item	2.49		2.65		1.05		5.14		2.18		57.91	
b.	Diluted (not annualised for quarters)												
	- Before exceptional item	2.49		2.64		0.54		5.13		1.67		4.83	
	- After exceptional item	2.49		2.64		1.05		5.13		2.18		57.82	
	See accompanying notes to the financial results												

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Standalone Statement of Assets and Liabilities as at September 30, 2014

		(Rs. in lakhs)	
	PARTICULARS	As at 30.09.2014	As at 31.03.2014
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
a	Share capital	32,71.47	32,66.43
b	Reserves and surplus	338,92.35	324,98.63
	Sub-total - Shareholders' funds	371,63.82	357,65.06
2	Non-current liabilities		
a	Deferred tax liability (net)	5,92.69	6,89.86
b	Long-term provisions	8,34.16	7,81.18
	Sub-total - Non-current liabilities	14,26.85	14,71.04
3	Current liabilities		
a	Trade payables	77,09.58	77,77.27
b	Other current liabilities	16,82.42	10,14.57
c	Short-term provisions	7,60.05	7,09.33
	Sub-total - Current liabilities	101,52.05	95,01.17
	TOTAL - EQUITY AND LIABILITIES	487,42.72	467,37.27
B	ASSETS		
1	Non-current assets		
a	Fixed assets	136,12.97	143,58.96
b	Long-term loans and advances	88,64.18	63,49.21
c	Other non-current assets	83.88	83.88
	Sub-total - Non-current assets	225,61.03	207,92.05
2	Current assets		
a	Current investments	14,46.96	7,00.00
b	Inventories	37,71.49	37,32.46
c	Trade receivables	107,11.55	111,91.34
d	Cash and bank balances	16,98.93	30,91.14
e	Short-term loans and advances	79,22.39	68,76.31
f	Other current assets	6,30.37	3,53.97
	Sub-total - Current assets	261,81.69	259,45.22
	TOTAL - ASSETS	487,42.72	467,37.27

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PART II

SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014.							
Particulars	Quarter ended 30/09/2014	Quarter ended 30/06/2014	Quarter ended 30/09/2013	Half Year ended 30/09/2014	Half Year ended 30/09/2013	Financial Year ended 31/03/2014	
A							
1							
PARTICULARS OF SHAREHOLDING							
Public shareholding	14695165	14652280	14463040	14695165	14463040	14644790	
- Number of shares	44.92	44.85	44.53	44.92	44.53	44.83	
- Percentage of shareholding							
Promoters & promoter group shareholding							
a. Pledged/Encumbered							
- Number of shares							
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)							
- Percentage of shares (as a % of the total share capital of the company)							
b. Non-encumbered							
- Number of shares							
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)							
- Percentage of shares (as a % of the total share capital of the company)							
	18019489	18019489	18019489	18019489	18019489	18019489	
	100.00	100.00	100.00	100.00	100.00	100.00	
	55.08	55.15	55.47	55.08	55.47	55.17	

Quarter ended September 30, 2014				
Particulars	Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining unresolved at the end of the quarter
B				
Investor complaints	0	0	0	0

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Notes:

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 20th October, 2014 and have been subjected to a limited review by the Statutory Auditors of the Company.
- 2 The Company is in the business of sale of pressed metal components which is the only business segment and accordingly segment disclosures are not applicable.
- 3 Schedule II of the Companies Act, 2013, (the Act) which has come into effect from 1st April, 2014, prescribes the useful lives of various types of assets in Part C of the said Schedule. The carrying amounts of the respective assets as on the aforesaid date, after retaining their residual values: (a) are to be depreciated over the remaining useful life of the asset; and (b) where the remaining useful life of an asset is Nil, may be recognised in the opening balance of retained earnings. Pending determination of the revised useful lives by the management, in the light of the aforesaid Schedule, depreciation on pressing machines included in plant and machinery block continues to be provided at the rate followed hitherto. Depreciation on all the other fixed assets have been provided on the basis of the revised useful lives as prescribed in the said Schedule II except for vehicles where the useful life continues to be considered at 5 years. As a result of the above change, the depreciation charge for the quarter and half year ended 30th September, 2014 is higher by Rs. 59.42 lakhs and Rs. 149.51 lakhs respectively and the adjustment to accumulated balance of retained earnings is Rs. 320.12 lakhs (net of adjustment for deferred tax of Rs. 164.84 lakhs).
- 4 Tax expense for the financial year ended 31st March, 2014 includes short provision for tax in respect of earlier years of Rs. 204.62 lakhs.
- 5 The Company has, during the quarter ended 30th September, 2014, issued 36,500 shares and 6,375 shares under ESOP scheme at an exercise price of Rs.99 per share and Rs.73 per share respectively.
- 6 a. As stated in the earlier quarter of the current financial year, as a part of Mahindra Group Strategy to consolidate the auto components business and formation of global alliance with CIE Automotive, Spain (CIE), the Board of Directors of the Company, at their meeting held on 15th June, 2013, duly considering the recommendation of the Audit committee, has approved the Integrated Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956, involving the Company, Mahindra Hinoday Industries Limited, Mahindra Gears International Limited, Mahindra Investments (India) Private Limited and Participaciones Internacionales Autometal Tres S.L. ("Transferor Companies") with Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited) ("Transferee Company"), with effect from 1st October, 2013 (the "Scheme").
b. The company had intimated the Stock Exchanges on which it is listed on 15th June, 2013 detailing the share SWAP ratios.
c. The BSE Limited ("BSE") and the National Stock Exchange of India limited ("NSE"), vide their Observation letters both dated 7th March, 2014, have conveyed their respective no-objections to file the Scheme with the Hon'ble High Court of Judicature at Bombay ("High Court").
d. Subsequently, as per the directions of the High Court, a meeting of the equity shareholders of the Company was held on 5th June, 2014 to seek their approval to the Scheme. The equity shareholders approved the Scheme with requisite majority. The High Court had dispensed with the requirement of convening meeting of the secured creditors and unsecured creditors of the Company to seek their approval to the Scheme. The results of the meeting were informed to the Stock Exchanges on 7th June, 2014.
e. Further, as required under the provisions of the relevant circulars issued by the Securities Exchange Board of India ("SEBI"), approval of the public shareholders of the Company to the Scheme was also sought through postal ballot and e-voting. The public shareholders approved the Scheme with requisite majority. The results of the Postal ballot and e-voting were informed to the Stock Exchanges on 19th June, 2014.
f. Thereafter, the Company has filed a petition under Sections 391-394 of the Companies Act, 1956 before the High Court seeking its approval to the Scheme. The said petition has been admitted by the High Court on 1st August, 2014 and the next date of hearing is 31st October, 2014.
- 7 Figures for the previous periods have been regrouped wherever necessary.

Mumbai
October 20, 2014

Uday Gupta


Uday Gupta
Managing Director

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF MAHINDRA UGINE STEEL COMPANY LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MAHINDRA UGINE STEEL COMPANY LIMITED** ("the Company") for the Quarter and Half Year ended September 30, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is 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. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select



Information for the Quarter and Half Year Ended September 30, 2014 of the Statement,
from the details furnished by the Registrar.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Mumbai, October 20, 2014

