

R.K. RELAN & CO.

CHARTERED ACCOUNTANTS

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Ref. No.....

Date **10 NOV 2015****REVIEW REPORT BY AUDITOR**(FOR THE QUARTER ENDED ON 30TH September, 2015)**To,****Board of Directors****Mount Shivalik Industries Limited****Introduction**

We have reviewed the accompanying statement of unaudited financial results ("the statements") of Mount Shivalik Industries Limited, Regd Office: Village Gunti, Distt. Alwar (Rajasthan) for the quarter ended on 30th September, 2015 being submitted by the company pursuant to clause 41 of the listing agreement with stock exchanges of india, except for the disclosure regarding "Public Shareholding and Promoter and Promoters Group Shareholding" which have been traced from disclosure made by management have not been reviewed by us. Management is responsible for the preparation and presentation of this interim financial information in accordance with the clause 41 of the listing agreement and accounting standard issued under the Companies (Accounting Standard) Rules, 2006 which continue to apply as per section 133 of companies act, 2013 read with rule 7 of the companies (accounts) rules 2014 and other recognized accounting practices and policies generally accepted in india and has been approved by the board of directors in their meeting held on November 10, 2015. Our responsibility is to express a conclusion on this statement based on our review.

Scope of review

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 ICAI. A review of interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedure. A review is substantially less in scope than an audit conducted in accordance with the standard on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.



Conclusion

Based on our review conducted as above nothing has come to our notice that causes us to believe that the statement prepared in accordance with the applicable accounting standard and other recognized accounting and policies generally accepted in india 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.

Emphasis of matter

We draw attention to note no 3 to the statement. The company's operating results have been adversely affected by the various factors as summarized in the said note and as at September 30, 2015 due to the accumulated losses the company's net worth has been eroded and has become negative. The appropriateness of the going concern assumption is dependent on the company's ability to establish consistent profitable operations and generate positive cash flow as well as raising adequate finance to meet its short term and long term obligation. Based on the mitigation factors stated in the said note the management of the company believes that the going concern assumption is appropriate.

Our opinion is not modified in this respect.

For R.K. Relan & Co
Chartered Accountants
FRN: 002267N

Hemant Relan

Hemant Relan

Partner

MRN: 085317

Place: New Delhi

10 NOV 2015



MOUNT SHIVALIK INDUSTRIES LIMITED
 Regd. Office: 140th Milestone, NH - 8, Village Gunti, Tehsil Behror, Distt. Alwar (Rajasthan)
 CIN - L15531RJ1993PLC007168

(₹ in Lakhs)

Part-I STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015		Quarter Ended			Year Ended
		30 Sep. '15	30 June '15	30 Sep. '14	30 June'15
		Unaudited	Audited	Unaudited	Audited
1	Income from Operations				
	(a) Net Sales/Income from Operations (Net of excise duty)	124.03	155.58	468.52	1,224.06
	(b) Other Operating Income	89.92	87.50	113.46	325.92
	Total income from operations (Net)	213.95	243.08	581.98	1,549.98
2	Expenses				
	(a). Cost of Materials consumed	14.31	23.76	266.66	527.04
	(b). Changes in inventories of finished goods, work -in-progress and stock-in-trade	-	2.40	(51.33)	(41.20)
	(c). Employee benefits expense	97.41	110.94	137.80	513.99
	(d). Depreciation and amortisation expense	68.58	74.06	75.80	303.65
	(e). Freight and Forwarding Expenses	6.29	6.26	43.01	85.99
	(f). Rebate and Schemes	0.37	(0.15)	59.14	115.32
	(g). Fees and Taxes	47.85	86.51	72.55	253.39
	(h). Sales Promotion	0.47	13.04	115.87	181.38
	(i). Other expenses	87.53	161.41	240.28	808.08
	Total expenses	322.81	478.23	959.78	2,747.64
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(108.86)	(235.15)	(377.80)	(1,197.66)
4	Other Income	13.62	1,250.64	0.49	1,253.76
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(95.24)	1015.49	(377.31)	56.10
6	Finance costs	160.75	270.75	126.93	689.89
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(255.99)	744.74	(504.24)	(633.79)
8	Exceptional Items				
9	Profit / (Loss) from ordinary activities before tax (7-8)	(255.99)	744.74	(504.24)	(633.79)
10	Tax expense	(80.52)	235.92	(159.97)	(214.98)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(175.47)	508.82	(344.27)	(418.81)
12	Extraordinary Items (net of tax expense)				
13	Net Profit / (Loss) for the period (11-12)	(175.47)	508.82	(344.27)	(418.81)
14	Paid-up equity share capital (Face Value of ₹ 10 each)	604.67	604.67	604.67	604.67
15	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year				(2,605.80)
16	Earnings Per Share (of ₹ 10 each) (not annualised / annualised*)				
	(a) Basic	(2.90)	8.41	(5.69)	(6.93)
	(b) Diluted	(2.90)	8.41	(5.69)	(6.93)

**PART II
SELECTED INFORMATION FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015**

Particulars		Quarter Ended			Year Ended
		30 Sep. '15	30 June '15	30 Sep. '14	30 June'15
		Unaudited	Audited	Unaudited	Audited
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	- Number of shares	32,12,467	32,12,467	32,12,467	32,12,467
	- Percentage of shareholding	53.13	53.13	53.13	53.13
2	Promoters and Promoter Group Shareholding				
	(a) Pledged/Encumbered				
	- Number of Shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-
	(b) Non-encumbered				
	- Number of Shares	28,34,233	28,34,233	28,34,233	28,34,233
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	46.87	46.87	46.87	46.87

B INVESTOR COMPLAINTS		Quarter ended 30 Sep. '15
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed off during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL



MOUNT SHIVALIK INDUSTRIES LIMITED
 Regd. Office: 140th Milestone, NH - 8, Village Gunti, Tehsil Behror, Distt. Alwar (Rajasthan)
 CIN - L15531RJ1993PLC007168

(₹ in Lakhs)

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Particulars	Quarter Ended			Year Ended
	30 Sep.'15	30 June'15	30 Sep.'14	30 June'15
	Unaudited	Audited	Unaudited	Audited
SEGMENT REVENUE				
(a) Segment - Brewery	158.83	162.66	520.69	1,129.66
(b) Segment - Restaurants	55.12	80.42	61.29	420.32
Total	213.95	243.08	581.98	1,549.98
SEGMENT RESULTS				
(a) Segment - Brewery	(25.24)	1,045.71	(336.43)	116.79
(b) Segment - Restaurants	(70.13)	(30.42)	(40.94)	(61.83)
	(95.37)	1,015.29	(377.37)	54.96
-Interest Expense	160.75	270.74	126.93	689.89
-Interest Income	0.13	0.19	0.06	1.14
Total	(255.99)	744.74	(504.24)	(633.79)
CAPITAL EMPLOYED				
(a) Segment - Brewery	(1,229.82)	(1,102.65)	(1,105.66)	(1,102.65)
(b) Segment - Restaurants	(519.52)	(449.39)	(428.15)	(449.39)
Total	(1,749.34)	(1,552.04)	(1,533.81)	(1,552.04)



[Handwritten Signature]

Notes:

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 10, 2015.
- 2 No Investors' complaint was received during the quarter ended September 30, 2015.
- 3 The accumulated losses having exceeded the paid up capital and reserves, has crossed the net worth of the Company. Considering the nature of the Company's predominant business (regulated by State Excise), the Company's operating results continue to be adversely affected by various factors, mainly the State regulated pricing pressures having direct impact on revenues and the related costs, being accelerated by inflationary conditions. Due to such pressures and the consequential negative profit margins, the Company is reluctant to make inroads in other markets (States), that if pursued, could be detrimental to the Company's interests, unless the State regulated applicable pricing/tax structure is favourably revised and the duties are rationalised to yield economic recoveries. In the meanwhile steps taken by, the management to address the controllable issues, including operational efficiency and cost & expense reduction; and other appropriate measures as price increase, fresh investments and contract bottling for others are expected to result in sustainable cash flows and profitability in the coming Quarters. The management is of the opinion that subsequent to these effective remedial significant steps (including upward renegotiation of prices with the buyers being the State Government's Corporations) reversal of the trend would arise that shall result in positive and sustainable cash inflows.

Notwithstanding what is stated in para above and on account of the initiatives taken, the management considers that the concept of the going concern does not get vitiated and these financial statements have, accordingly, been prepared on a going concern basis whereby the realisation of assets and discharge of liabilities are expected to occur in the normal course of business.

- 4 Upon the approval of the annual financial statements for the year 2012-13 in the Annual General Meeting held on December 30, 2013 and based on the status of the net worth as computed, the Company had made, within the prescribed time, a formal reference u/s 15 (1) of SICA 1985 to the Board for Industrial and Financial Reconstruction and the same had been registered as case No. 24 of 2014. BIFR has concluded hearings and has determined that the company has become a Sick industrial company.
- 5 Other operating income includes income from Franchisee Fee. It comprises the net revenue derived by allowing a Local Contract Brewer (Franchisee) the Licence to manufacture and market the Company's beer brands in terms of arrangement with the Franchisee. The arrangement, inter alia, absolves the Company of its responsibility for manufacturing and marketing the goods as also the responsibility for balances irrecoverable out of sales so effected. Compliance with relevant statutory/regulatory obligations, discharging the related liability towards statutory dues/ taxes / levies and book keeping is also the responsibility of the Franchisee. The Franchisee Fee for the Company's Brand for the State of Bihar is a monthly fixed amount of Rs.29.167 Lakhs.
- 6 The Assistant Commissioner, Anti Evasion, Jaipur, Rajasthan has, by an order dated June 2, 2014 treated, as Inter State Sales, the stock transfers by the Company, of beer to Patna and Hazaribagh during the financial years 2010-11, 2011-12, 2012-13 and 2013-14(only 1st Quarter) and had demanded Central Sales Tax including interest and penalty to the extent of Rs. 86,51,63,060, which was subsequently (vide order dated October 16, 2014) revised downward to Rs.60,77,72,122. The Company's appeal with Rajasthan Tax Board, Ajmer, Rajasthan has been negated. Company is contesting these Assessment orders for all the years in Appeal at Central Sales Tax Appellate Tribunal, New Delhi after its appeal having been negated in Rajasthan Tax Board, Ajmer, Rajasthan and has obtained stay of the said demand from the Hon'ble Rajasthan High Court, Jaipur till the decision of the Appellate Tribunal. The same Anti Evasion Authority has later on issued an assessment order on the similar point for the financial year 2009-10 and raised demand for Rs.31,92,37,896, which was subsequently revised to Rs.23,89,06,371 which is being contested in appeal in Rajasthan Tax Board, Ajmer.
- 7 Previous year/ period's figures have been regrouped/rearranged, wherever required.



Place: New Delhi
Date : November 10, 2015

for MOUNT SHIVALIK INDUSTRIES LTD.


(SANJIV BALI)
Managing Director
DIN-00226806