

R.K. RELAN & CO.

CHARTERED ACCOUNTANTS

B-45, (First Floor)
GREATER KAILASH, PART-1
NEW DELHI-110048

Ref. No.....

OFFICE PHONE : 011-40536081, 011-29238059

Direct Lines:

B. L. JAIN: 011-29238056

HEMANT RELAN: 011-29238059, 9810027220

RAJIV AGARWAL : 011-29238055, 9810472030

e-mail : rkrelan1962@yahoo.co.in

Web : www.carkrelan.com

Date **20 APR 2015**

MOUNT SHIVALIK INDUSTRIES LIMITED REVIEW REPORT BY AUDITORS (For the quarter ended 31st December, 2014)

To,
The Board of Directors
Mount Shivalik Industries Limited
New Delhi.

Introduction

We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Mount Shivalik Industries Limited, Regd. Office: Village Gunti, Tehsil Behror, Distt. Alwar (Rajasthan) for the quarter ended 31st December, 2014 being submitted by the company pursuant to Clause 41 of the Listing agreement with Stock Exchanges, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management have not been reviewed by us. Management is responsible for the preparation and presentation of this interim financial information in accordance with Clause 41 of the Listing agreement and Accounting Standards issued under the Companies (Accounting Standards) 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 20th April, 2015. Our responsibility is to express a conclusion on this Statement based on our review.

Scope Review

We conducted our review 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. 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 procedures. A review is substantially less in scope than an audit conducted in accordance with Standards 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 attention that causes us to believe that the Statement prepared in accordance with the applicable Accounting Standards and other recognized accounting practices 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 various factors as summarized in the said Note; and as at 31st December, 2014, 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 flows as well as raising adequate finance to meet its short term and long term obligations. Based on the mitigating 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
Firm's Registration No. 002267N



Hemant Relan

(HEMANT RELAN)
PARTNER;
Membership No. 085317

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

Part-I (₹ in Lakhs)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST DECEMBER, 2014

Particulars	Quarter Ended			Previous year to date 01-July-14 to 31-Dec-14	Previous year to date 01-July-13 to 31-Dec-13	Year Ended 30 June'14
	31 Dec.'14	30 Sep.'14	31 Dec.'13			
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income from Operations						
(a) Net Sales/Income from Operations (Net of excise duty)	419.07	468.52	931.22	887.59	1,773.70	3,656.82
(b) Other Operating Income	36.59	113.46	168.32	150.05	413.03	754.15
Total income from operations (Net)	455.66	581.98	1,099.54	1,037.64	2,186.73	4,410.97
2 Expenses						
(a) Cost of Materials consumed	165.32	266.66	400.69	431.98	727.34	1,825.21
(b) Changes in inventories of finished goods, work -in-progress and stock-in-trade	68.71	(51.33)	140.18	17.38	297.99	338.24
(c) Employee benefits expense	133.16	137.80	139.56	270.96	281.05	566.08
(d) Depreciation and amortisation expense	76.07	75.80	68.48	151.87	135.01	269.55
(e) Freight and Forwarding Expenses	27.24	43.01	71.28	70.25	142.57	305.63
(f) Rebate and Schemes	39.94	59.14	118.12	99.08	342.35	522.89
(g) Fees and Taxes	56.24	72.55	87.26	128.79	179.65	427.18
(h) Sales Promotion	19.39	115.87	66.73	135.26	113.11	203.25
(i) Other expenses	261.12	240.28	281.49	501.40	520.77	1,209.76
Total expenses	847.19	959.78	1,373.79	1,806.97	2,739.84	5,667.79
3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(391.53)	(377.80)	(274.25)	(769.33)	(553.11)	(1,256.82)
4 Other Income	0.73	0.49	33.34	1.22	34.78	38.50
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(390.80)	(377.31)	(240.91)	(768.11)	(518.33)	(1,218.32)
6 Finance costs	140.46	126.93	125.86	267.39	222.18	440.07
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(531.26)	(504.24)	(366.77)	(1,035.50)	(740.51)	(1,658.39)
8 Exceptional Items						(2.61)
9 Profit / (Loss) from ordinary activities before tax (7-8)	(531.26)	(504.24)	(366.77)	(1,035.50)	(740.51)	(1,655.78)
10 Tax expense	(196.44)	(159.97)	(58.88)	(356.41)	(194.03)	(512.87)
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	(334.82)	(344.27)	(307.89)	(679.09)	(546.48)	(1,142.91)
12 Extraordinary items (net of tax expense)						
13 Net Profit / (Loss) for the period (11-12)	(334.82)	(344.27)	(307.89)	(679.09)	(546.48)	(1,142.91)
14 Paid-up equity share capital (Face Value of ₹ 10 each)	604.67	604.67	604.67	604.67	604.67	604.67
15 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year						(2,185.99)
16 Earnings Per Share (of ₹ 10 each) (not annualised / annualised*)						
(a) Basic	(5.54)	(5.69)	(5.09)	(11.23)	(9.04)	(18.90)*
(b) Diluted	(5.54)	(5.69)	(5.09)	(11.23)	(9.04)	(18.90)*

PART II

SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST DECEMBER, 2014

Particulars	Quarter Ended			Previous year to date 01-July-13 to 31-Dec-13	Previous year to date 01-July-13 to 31-Dec-13	Year Ended 30 June'14
	31 Dec.'14	30 Sep.'14	31 Dec.'13			
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of shares	32,12,467	32,12,467	32,12,467	32,12,467	32,12,467	32,12,467
- Percentage of shareholding	53.13	53.13	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	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	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	46.87	46.87

B INVESTOR COMPLAINTS	Quarter ended 31st Dec.'14
Pending at the beginning of the quarter	NIL
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	NIL

Amal



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

(₹ in Lakhs)

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Particulars	Quarter Ended			Current year to date 01-July-14 to 31-Dec-14	Previous year to date 01-July-13 to 31-Dec-13	Year Ended
	31 Dec.'14	30 Sep.'14	31 Dec.'13			30 June'14
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
SEGMENT REVENUE						
(a) Segment - Brewery	317.17	520.69	978.89	837.69	2,015.09	4,063.53
(b) Segment - Restaurants	138.49	61.29	120.65	199.78	171.64	347.44
Total	455.66	581.98	1,099.54	1,037.47	2,186.73	4,410.97
SEGMENT RESULTS						
(a) Segment - Brewery	(392.65)	(336.43)	(248.31)	(729.08)	(480.95)	(1,150.54)
(b) Segment - Restaurants	1.14	(40.94)	6.54	(39.80)	(39.68)	(67.42)
	(391.51)	(377.37)	(241.77)	(768.88)	(520.63)	(1,217.96)
-Interest Expense	140.46	126.93	125.86	267.39	222.18	440.07
-Interest Income	0.71	0.06	0.86	0.77	2.30	2.25
Total	(531.26)	(504.24)	(366.77)	(1,035.50)	(740.51)	(1,655.78)
CAPITAL EMPLOYED						
(a) Segment - Brewery	(2,121.88)	(1,105.66)	124.44	(2,121.88)	124.44	(845.15)
(b) Segment - Restaurants	(427.08)	(428.15)	(358.03)	(427.08)	(358.03)	(387.19)
Total	(2,548.96)	(1,533.81)	(233.59)	(2,548.96)	(233.59)	(1,232.34)

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

S. No.	Particulars	(₹ in Lakhs)	
		As at (current half year end)	As at (previous year end)
		31-12-2014	30-06-2014
		Unaudited	Audited
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital		604.67	604.67
(b) Reserves and surplus		(3,075.54)	(2,185.99)
Sub-total - Shareholder's funds		(2,470.87)	(1,581.32)
2 Non-Current Liabilities			
(a) Long-term borrowings		14.74	3.51
(b) Other long-term liabilities		2,388.80	2,591.05
(c) Long-term provisions		64.88	39.24
Sub-total - Non-Current Liabilities		2,468.42	2,633.80
3 Current Liabilities			
(a) Short-term borrowings		1,935.72	1,501.86
(b) Trade payables		2,295.57	2,205.76
(c) Other current liabilities		747.78	932.95
(d) Short-term provisions		116.12	117.32
Sub-total - Current Liabilities		5,095.19	4,757.89
TOTAL - EQUITY AND LIABILITIES		5,092.74	5,810.37
B ASSETS			
1 Non-Current Assets			
(a) Fixed assets		2019.85	2,337.54
(c) Deferred tax assets (net)		1697.04	1,340.42
(c) Long-term loans and advances		202.34	197.51
Sub-total - Non-Current Assets		3,919.23	3,875.47
2 Current Assets			
(a) Inventories		345.84	316.27
(b) Trade receivables		479.47	1,106.82
(c) Cash and cash equivalents		93.78	77.38
(d) Short-term loans and advances		241.65	416.76
(e) Other current assets		12.77	17.67
Sub-total - Current Assets		1,173.51	1,934.90
TOTAL - ASSETS		5,092.74	5,810.37

[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 April 20, 2015.
- 2 1 (One) investor complaint was received and disposed off during the quarter ended December 31, 2014.
- 3 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 effect on revenues; and 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 could be detrimental to the Company's interests, unless the State regulated applicable tax structure is favorably 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 reduction; and other appropriate measures are expected to result in sustainable cash flows and profitability. Accordingly, the Company's financial statements have 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 has made, within the prescribed time, a formal Reference u/s 15(1) of Sica 1985 to Board for Industrial and Financial Reconstruction (hereinafter referred to as 'the BIFR) and the same has been registered as Case No. 24 of 2014.
- 5 Other operating income includes income from contract brewing. Contract brewing income comprises the net revenue derived by / attributable to the Company in respect of its beer brands manufactured in terms of arrangement with a Contract Brewer (CB). The arrangement, inter alia, envisages the Company's responsibility for marketing the goods manufactured from contract brewing under the related agreement, as also the responsibility for balances irrecoverable out of sales so effected by / through the CB. In order to comply with relevant statutory/ regulatory obligations, the CB records, in its books, sales of such beer brands, on a gross basis, based on invoices raised by it on the customers, discharges the related liability towards statutory dues/ taxes / levies and, net of its stipulated retentions as per the contractual obligations, transmits the residual proceeds to the Company as the Company's Contract brewing income.
The Company considers it relevant to disclose the following information relating to the Contract brewing activities/ operations:

Particulars	(₹ in Lakhs)				
	Quarter Ended			Year Ended	
	31 Dec.'14	30 Sep.'14	31 Dec.'13	30 June'14	30 June'13
	Unaudited	Unaudited	Unaudited	Audited	Audited
Sales	759.08	1,193.65	850.77	5,609.03	1,081.80
Less: Excise Duty	266.67	413.90	258.71	1,786.55	282.20
Net Sales	492.41	779.75	592.06	3,822.48	799.60
Cost of Sales:					
- Materials Consumed	286.62	342.04	230.68	1,616.06	324.75
- Processing Expenses	84.06	133.46	97.77	655.03	136.88
- Fees and Taxes	64.09	112.88	84.71	547.28	112.88
- Freight and Forwarding	26.99	50.15	18.71	196.35	41.25
- Miscellaneous Expenses	2.03	32.95	17.56	90.10	5.06
Total	463.79	671.48	449.43	3,104.82	620.82
Contract Brewing Income	28.62	108.27	142.63	717.66	178.78

- 6 The Assistant commissioner, Anti Evasion, Jaipur, Rajasthan has by an assessment order converted the stock transfers by Company of beer to Patna and Hazaribagh during the financial years 2010-11, 2011-12, 2012-13 and 2013-14 (only 1st Quarter) as Inter State Sales and has demanded Central Sales Tax including interest and penalty to the extent of ₹ 86.52 crores. This has however, been subsequently revised downward by the same officer to ₹ 60.78 crores. 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 Appeal. No provision has been made in the Books of Accounts for the said demand as the Company's management is of the opinion that the Company has a very strong legal backing in its favour and no tax would be payable after the court's legal scrutiny.
- 7 Previous year/ period's figures have been regrouped/rearranged, wherever required.

for MOUNT SHIVALIK INDUSTRIES LTD.



(Signature)
(SANJIV BALI)
Managing Director

Place: New Delhi
Date : April 20, 2015