



C. MAHENDRA EXPORTS LTD.

DIAMOND EXPORTERS, IMPORTERS & MANUFACTURERS

Regd. Office: Tower 'C', Office No. CC-6011, 6th Floor, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.
Tel: +91-22-2672 5555 • Fax: +91-22-2675 4560 • Email: bkc@cmahendra.com • Website: www.cmahendra.com

CMEL/UAFR-LR/2012-13

Date: 14.08.2012

To,
Listing Department,
The National Stock Exchange Limited
Exchange Plaza, Plot No. C-1, "G" Block
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Ref: C. Mahendra Exports Ltd.

Dear Sir / Madam

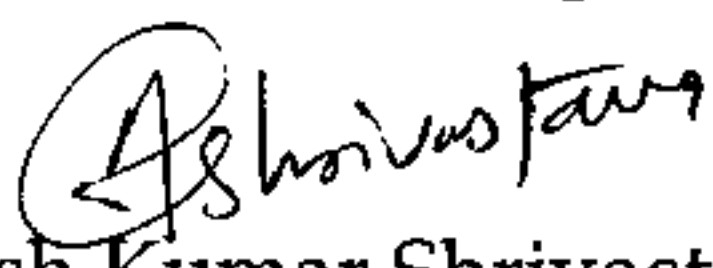
Sub: Unaudited Financial Results and L/R for the 1st quarter ended 30th June, 2012

Please find enclosed herewith unaudited financial results and Limited Review Report for the 1st quarter ended 30th June, 2012 reviewed by audit committee, considered & approved by the Board of directors of the company as per clause of 41 of the Listing Agreement.

Please acknowledge the receipt of the same.

Thanking you.

Yours Faithfully,
For C. Mahendra Exports Limited


(Ashish Kumar Shrivastava)
Company Secretary & Compliance Officer

Encl: As above

Suresh Surana & Associates
13th Floor, Bakhtawar,
229, Nariman Point, Mumbai - 400 021, India
T: (91-22) 6651 5570 F: (91-22) 2287 5771
E: emails@ss-associates.com
www.ss-associates.com

LIMITED REVIEW REPORT

The Board of Directors,
C. Mahendra Exports Limited
Tower 'C' Office No. CC-6011,
Bharat Diamond Bourse,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

We have reviewed the accompanying statement of unaudited financial results of C. Mahendra Exports Limited ('the Company') for the quarter ended 30 June 2012 which have been initialed by us for identification purposes, 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 neither been reviewed nor been audited by us. 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 these statements based on our 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 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 the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Attention is invited to note:

- a) note 2(a) of the accompanying statement of unaudited financial results regarding non-compliance with Accounting Standard (AS)-2 'Valuation of Inventories';
- b) note 2(b) of the accompanying statement of unaudited financial results regarding non-compliance with Accounting Standard (AS)-10 "Accounting for fixed assets" and AS-6 "Depreciation Accounting";
- c) note 2(c) of the accompanying statement of unaudited financial results which states that unrealised loss of Rs.247.20 millions for the quarter ended 30 June 2012 on forward contracts in respect of certain firm commitments and forecast transactions outstanding as at the end of the quarter has not been given effect in the financial results. This has resulted in the profit being higher by Rs.247.20 millions.



Suresh Surana & Associates

Chartered Accountants

Subject to above and based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable accounting standards except as disclosed 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 SURESH SURANA & ASSOCIATES

Chartered Accountants

Firm Reg. No.: 121750W



(Nirmal Jain)

Partner

Membership No.: 34709

Place: Mumbai

Dated: 14 August 2012



C. MAHENDRA EXPORTS LIMITED
(Regd. Office: Tower 'C', Office No. CC-6011, Bharat Diamond Bourse,
Bandra Kurla Complex, Bandra (East), Mumbai - 400 051)

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2012

(Rs. In million)

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Previous year ended
		30/06/2012	31/03/2012	30/06/2011	31/03/2012
		Unaudited	Unaudited	Unaudited	Unaudited
1	Income from operations				
	a) Net sales / Income from operations	3,867.17	4,442.44	4,707.38	19,567.99
	Total income from operations (net)	3,867.17	4,442.44	4,707.38	19,567.99
2	Expenses				
	(a) Cost of materials consumed/sold	2,518.12	3,883.86	2,269.32	14,082.62
	(b) Purchases of stock-in-trade	892.13	1,181.12	1,604.33	6,291.40
	(c) Changes in inventories of finished goods and stock-in-trade	(12.26)	(1,078.16)	345.60	(2,833.85)
	(d) Employee benefits expense	31.92	28.17	41.53	138.04
	(e) Depreciation and amortisation expense	21.89	23.68	21.20	90.17
	(f) Other expenses	208.02	207.51	158.93	840.47
	Total expenses	3,659.82	4,246.18	4,440.91	18,608.85
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	207.35	196.26	266.47	959.14
4	Other income	232.39	(97.46)	79.17	526.36
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional items (3+4)	439.74	98.80	345.64	1,485.50
6	Finance costs	430.18	(37.96)	211.25	1,054.39
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional items (5-6)	9.56	136.76	134.39	431.11
8	Exceptional items	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	9.56	136.76	134.39	431.11
10	Tax Expenses:				
	- Current Tax	-	24.10	(33.00)	(44.80)
	- Mat Credit Entitlement	-	19.60	-	19.60
	- Deferred Tax (Expenses) / Benefits	(6.80)	2.54	2.20	8.03
	- Prior year tax adjustment	-	0.11	-	0.11
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	2.76	183.11	103.59	414.05
12	Extra ordinary items (net of tax expense Rs. Lakhs)	-	-	-	-
13	Net Profit / (Loss) for the period (11 + 12)	2.76	183.11	103.59	414.05
14	Paid-up equity share capital (Face Value of Rs.10 each)	600.00	600.00	600.00	600.00
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	5,161.43
16	Earnings per share (of Rs. 10 each) (not annualised):				
	(a) Basic	0.01	3.02	1.69	6.76
	(b) Diluted	0.01	3.02	1.69	6.76
	See accompanying note to the financial results				
17	PARTICULARS OF SHAREHOLDING				
	Public Shareholding				
	- Number of shares	15,000,000	15,000,000	15,000,000	15,000,000
	- Percentage of shareholding	25.00%	25.00%	25.00%	25.00%
18	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	45,000,000	45,000,000	45,000,000	45,000,000
	- Percentage of shares (as a % of the total shareholding of 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)	75.00%	75.00%	75.00%	75.00%



For C. MAHENDRA EXPORTS LTD.

(Signature)
DIRECTOR

Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14 August 2012. In accordance with clause 41 of the listing agreement with the stock exchange, the auditors have carried out a limited review of the aforesaid result for the quarter ended 30 June 2012.
- 2(a) The auditors has qualified their opinion for the current period and previous periods in respect of valuation of stock of finished goods (polished diamonds). The cost is based on technical estimate by the management. In view of the nature of variation in the value of individual diamonds, the differentials in their costs, it is not practical to compute the cost of polished diamonds using either FIFO or weighted average cost. In view of the multiple grades, it is not practical to use specific cost. The basis of computing cost used on consistent basis, to avoid distortion in valuation, is to that extent a deviation from that prescribed by Accounting Standard (AS)-2 'Valuation of Inventories'. The impact on profit/ (loss) for the period, reserves and surplus and inventories, due to the above deviations is not ascertainable.
- 2(b) The revaluation reserve on fixed assets of Rs.306.55 million prior to conversion of Partnership Firm M/s. C. Mahendra Exports under Part IX of the Companies Act, 1956 had been credited to Partner's Capital Account and written down value of all the fixed assets on the date of conversion (04 January 2007) have been carried in the books of the Company as cost. The above treatment not being in accordance with Accounting Standard (AS)-10 "Accounting for fixed assets" and AS-6 "Depreciation Accounting" the auditors has qualified their opinion for the current period and previous periods. The impact on profit/(loss) for the period, reserves and surplus and fixed assets due to above deviations is not ascertainable.
- 2(c) Forward contracts in the nature of derivatives which are used to hedge the Company's risks associated with foreign currency fluctuations relating to certain firm commitments and forecast transactions were marked to market as at the Balance Sheet date and provision for losses, if any, was dealt with in the Profit and Loss Account. In view of the prevailing volatility in the foreign exchange rate, such unrealised loss of Rs.247.20 millions as at 30 June 2012 are not recognised in the above results, as such profit for the quarter is higher by Rs.247.20 millions.
- 3 During the year 2010-11, the Company completed an Initial Public Offer (IPO) of 15,000,000 equity shares of Rs.10 each for cash at a price of Rs.110 each aggregating to Rs.1,650 millions. The premium of Rs.100 per share, amounting to Rs.1,500 millions from the allotment was credited to Securities premium account. The share issue expenses of Rs.91.63 millions incurred by the Company has been adjusted against the Security premium account.

Pursuant to the public issue, shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange effective from 20 January 2011.

- 4 Utilisation of fund received through initial public offer (IPO):

(Rs. in million)


Sr. No.	Description	Amount to be financed through the issue	Funds Utilised upto 30/06/2012
Objects of the issue #			
i	Working capital	696.93	696.93
ii	Investment in subsidiary Ciemme Jewels Limited for setting up retail outlets	300.00	* 300.00
iii	Brand development expenses	100.00	* 56.25
iv	Investment in capital of C. Mahendra BVBA	800.00	455.19
	Total	1,896.93	1,508.37
	Less: To be utilised from internal accruals	332.05	
	Net IPO proceeds to be utilised as per object of the issue	1,564.88	
	Issue related expenses	85.12	91.63
	Temporary investment in Bank Fixed deposits	-	50.00
	Total	1,650.00	1,650.00

Revised vide special resolution passed in Annual General Meeting held on 16 September 2011.

* Represents advance given to Ciemme Jewels Limited for expenses incurred or to be incurred towards objects of the issue.

- 5 The Company has only one business segment viz. Gems and Jewellery, which is being considered as the primary segment.
- 6 No investor complaint was pending at the beginning of the quarter and no investor complaint was received during the quarter ended 30 June 2012.
- 7 Previous year's figures have been regrouped and rearranged, wherever necessary.

By order of the Board of Directors
For C. Mahendra Exports Limited


(Mahendra C. Shah)
Director

Place: Mumbai
Date: 14 August 2012

