



EL FORGE LIMITED

Regd. Office No.21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai - 600018
Phone: (044) 42207800 Fax: (044) 42014708 E-Mail: accounts@elforge.com
Web Site : <http://www.elforge.com>

Ref : EFL/MSE/0214/14

14th February, 2014

Madras Stock Exchange
"Exchange Building"
2nd Line Beach
Chennai 600 001

Dear Sir,

Please find enclosed audited financial results of the Company for the quarter ended 31st December, 2013 considered at the meeting of the Board of Directors of the Company on 14th February, 2014.

We are also enclosing Limited Review Report for the quarter ended 31st December, 2013.

Kindly acknowledge receipt of the same..

Thanking you,

Yours Faithfully
For EL FORGE LIMITED

A handwritten signature in dark ink, appearing to be "S. Srinivasan", written over a horizontal line.

COMPANY SECRETARY



EL FORGE LIMITED

Reg. office: Door No.21C, A.R.K Colony, Eldams Road, Alwarpet, Chennai – 600018.

Phone: (044) 42207800 Telefax: (044) 42014708 E Mail: elforgeho@elforge.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.12.2013

(Figures in Rupees Lacs)

Sl. No.	Particulars	Quarter			Six Month	Previous Period Six Months	Previous Year Ended
		Ended 31.12.2013 Unaudited	Ended 30.09.2013 Unaudited	Ended 31.12.2012 Unaudited	Ended 31.12.2013 (Jul'13 to Dec'13) Unaudited	Ended 31.12.2012 (Jul'12 to Dec'12) Unaudited	30.06.2013 Audited
1	Operating Income						
	Gross sales / Income from Operations	2316.39	2151.49	1971.07	4467.88	4253.96	8298.07
	Less: Excise Duty / Sale Tax recovered	163.12	166.16	205.98	329.28	437.77	764.78
	a) Net Sales/Income from Operations	2153.27	1985.33	1765.09	4138.60	3816.19	7533.29
	b) Other Operating Income	0.00	789.38	0.00	789.38	0.00	0.00
	Total Operating Income (1)	2153.27	2774.71	1765.09	4927.98	3816.19	7533.29
2	Expenditure						
	(a) (Increase)/decrease in Stock in Trade	151.11	(49.22)	200.10	101.89	88.73	178.31
	(b) Consumption of Raw Materials	1091.46	1215.30	896.47	2306.76	2162.35	4428.51
	(c) Employees Cost	340.02	368.75	333.50	708.77	689.72	1321.15
	(d) Depreciation	235.37	235.37	194.94	470.74	389.87	786.36
	(e) Other Expenditure	694.28	749.71	546.12	1443.99	1298.10	2876.52
	Total Expenditure (2)	2512.24	2519.91	2171.13	5032.15	4628.77	9590.85
3	Profit / (Loss) From Operations before other	(358.97)	254.80	(406.04)	(104.17)	(812.58)	(2057.56)
4	Other Income	37.21	31.03	0.02	68.24	0.70	103.98
5	Profit/(Loss) before interest and exceptional	(321.76)	285.83	(406.02)	(35.93)	(811.88)	(1953.58)
6	Interest	397.69	432.97	332.23	830.66	655.50	1428.46
7	Net Profit / (Loss) after interest before	(719.85)	(147.14)	(738.25)	(866.59)	(1467.38)	(3382.04)
8	Tax Expenses	0.00	0.00	0.00	0.00	0.00	0.00
9	Net Profit/(Loss) after tax	(719.85)	(147.14)	(738.25)	(866.59)	(1467.38)	(3382.04)
10	Paid Up Equity Share Capital (Face Value of the	2032.43	2032.43	2032.43	2032.43	2032.43	2032.43
11	Reserves excluding Revaluation Reserves as per	---	---	---	---	---	(3519.21)
12	Earning per Share(EPS) -Basic (Rs.)	(3.54)	(0.72)	(3.63)	(4.26)	(7.22)	(16.64)
	-Diluted (Rs.)	(3.54)	(0.72)	(3.63)	(4.26)	(7.22)	(16.64)
13	Public Share Holding						
	Number of Shares	11938446	11938446	11938446	11938446	11938446	11938446
	Percentage of Shareholding	58.74	58.74	58.74	58.74	58.74	58.74
14	Promoters and Promoter group share holding	8385858	8385858	8385858	8385858	8385858	8385858
	a) Pledged/Encumbered						
	- Number of Shares	6304600	6304600	7704600	6304600	7704600	7704600
	- Percentage of share (as a % of the total shareholding of promoter and promoter group)	75.18	75.18	91.88	75.18	91.88	91.88
	- Percentage of shares(as a % of the total share capital of the company)	31.02	31.02	37.90	31.02	37.90	37.90
	b) Non-encumbered						
	- Number of Shares	2081258	2081258	681258	2081258	681258	681258
	- Percentage of share (as a % of the total shareholding of promoter and promoter group)	24.82	24.82	8.12	24.82	8.12	8.12
	- Percentage of shares(as a % of the total share capital of the company)	10.24	10.24	3.35	10.24	3.35	3.35

Notes:

- The above results for the quarter ended 31st December 2013, which have been subjected to a "Limited Review" by the statutory auditors of the company, as per the listing agreements with the stock exchanges have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14.02.2014.
- The Company has two business segments (1) Manufacture and sale of steel forgings. (2) Land and Development described as "Other Operating Income".
- Number of complaints from share holders received during the quarter - 2 and disposed off during the quarter - 2. There were no pending complaints at the beginning or end of the quarter.

4 Standalone Statement of Assets and Liabilities (Rs. In Lakhs)

Sl. No.	Particulars	As at 31.12.2013	As at 30.06.2013
		Unaudited	Unaudited
A	Equity and Liabilities		
1	Shareholders' Fund		
	(a) Share Capital	3243.55	3243.55
	(b) Reserves & Surplus	-3382.51	-2516.03
	(c) Money Received against Share Warrants		
	Sub-Total (Shareholders Fund)	-139.06	727.52
2	Share Application Money Pending Allotment	0.00	0.00
3	Minority Interest*	0.00	0.00
4	Non-current liabilities		
	(a) Long-term borrowings	6570.11	6558.29
	(b) Deferred Tax liabilities (Net)	0.00	0.00
	(c) Other Long term liabilities	0.00	0.00
	Sub-Total : Non-Current Liabilities	6570.11	6558.29
5	Current Liabilities		
	(a) Short term borrowings	4800.46	4810.97
	(b) Trade payables	3306.84	3587.63
	(c) Other current liabilities	4286.71	3535.45
	(d) Short term provisions	22.57	22.58
	Sub-Total : Current Liabilities	12416.58	11936.61
	Total : Equity and Liabilities	16847.63	19222.42

B ASSETS		
1. Non-current assets		
(a) Fixed assets	10057.71	10680.02
(b) Goodwill on Consolidation*		0.00
(c) Non-current investments	471.06	471.06
(d) Deferred tax assets (net)		
(e) Long-term loans and advances	786.51	798.88
(f) Other non-current assets	1606.32	1595.85
Sub-Total: Current Liabilities	12921.80	13545.61
2. Current assets		
(a) Current investments	0.00	0.00
(b) Inventories	1477.73	1618.89
(c) Trade receivables	2714.83	2358.71
(d) Cash and Bank Balances	69.47	98.53
(e) Short-term loans and advances	217.52	237.11
(f) Other current assets	1448.48	1365.57
Sub-Total: Current Liabilities	5926.03	5678.81
TOTAL	18847.83	19224.42

* not applicable, since not a consolidated statement of Assets and Liabilities

5 Unaudited consolidated Financial results for the Quarter ended 31.12.2013. (Rs.in lakhs)

Particulars	Quarter Ended 31.12.2013 Unaudited	Quarter Ended 30.09.2013 Unaudited	Previous Quarter Ended 31.12.2012 Unaudited	Six Months Ended 31.12.2013 Unaudited	Previous Six Months Ended 31.12.2012 Unaudited	Year Ended 30th June'13 Audited
Revenue	2995.94	3554.10	2537.91	6550.04	5086.27	10501.92
Net Loss	(716.02)	(123.23)	(750.12)	(839.25)	(1477.62)	(3409.08)
Earning Per share						
Basic(In Rs.)	(3.52)	(0.61)	(3.69)	(4.13)	(7.27)	(16.77)
Diluted(In Rs.)	(3.52)	(0.61)	(3.69)	(4.13)	(7.27)	(16.77)

The above consolidated results for the Quarter ended 31st Dec, 2013 have been approved by the board at its meeting held on 14.02.2014

6 Segment wise Revenue, Results capital employed clause 41 of the listing agreement.

Particulars	Quarter			Six Months		Previous Year
	Ended 31.12.2013 Unaudited	Ended 30.09.2013 Unaudited	Ended 31.12.2012 Unaudited	Ended 31.12.2013 Unaudited	Ended 31.12.2012 Unaudited	Ended 30.06.2013 Audited
Segment Revenue						
Forgings	2153.27	1985.33	1765.09	4138.60	3816.19	7533.29
Land and Development	0.00	789.38	0.00	789.38	0.00	37.20
Total Revenue	2153.27	2774.71	1765.09	4927.98	3816.19	7570.49
Segment Results						
Profit/(Loss) on forgings	(358.97)	(504.58)	(406.04)	(893.55)	(812.58)	(2057.56)
Profit/(Loss) Land and Development	0.00	759.38	0.00	789.38	0.00	37.20
Net Profit/ Loss before Interest	(358.97)	254.80	(406.04)	(104.17)	(812.58)	(2020.36)
Interest Cost	397.69	432.97	332.23	830.66	655.50	1428.46
Other Income	37.21	31.03	0.02	68.24	0.70	66.78
Previous year tax paid/Provision	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit/ (Loss)	(719.45)	(147.14)	(736.25)	(866.59)	(1467.38)	(3382.04)
Capital Employed						
Forgings	6042.00	6792.65	7797.94	6042.00	7797.94	6909.80
Land	1003.18	1003.18	1066.89	1003.18	1066.89	1003.18
Total	7045.18	7795.83	8864.83	7045.18	8864.83	7912.98

7 Consolidated Segment wise report

Particulars	Quarter Ended 31.12.2013 Unaudited	Quarter Ended 30.09.2013 Unaudited	Quarter Ended 31.12.2012 Unaudited	Six Months Ended 31.12.2013	Previous Six Months Ended 31.12.2012	Year Ended 30th June'13 Audited
Revenue - Forgings	2995.94	2886.34	2537.91	5760.66	5086.27	10464.72
- Land and Development	0.00	789.38	0.00	789.38	0.00	37.20
Net Profit/ (Loss)	(716.02)	(123.23)	(750.12)	(839.25)	(1477.62)	(3409.38)

8 Provision for Taxation if required, will be made in the year end.

9 There has been no stoppage of operations in the Company and orders from Customers continue to flow in. The Management is taking steps to address the financial requirements of the Company and is confident of addressing the same and move to profitable operations. The Current Asset position will be strengthened once the Company generates profits from operations. The Management is confident of resolving the issues and hence prepared the financial statement on going concern basis.

10 The Management is taking steps to remit all statutory dues at the earliest.

11 Figures have been regrouped/rearranged wherever necessary.

For and on behalf of the Board

VRamachandran
VICE CHAIRMAN AND MANAGING DIRECTOR

Date : 14.02.2014
Place : Chennai



P. RAJAGOPALAN & CO.,
CHARTERED ACCOUNTANTS

☎ : 2433 1104

: 2433 2331

No.32, 2nd Cross Street,
West C.I.T. Nagar,
Chennai - 600 035.

Ref. No.....

Date.....20

Independent Limited Review Report

To
Board of Directors
El Forge Ltd

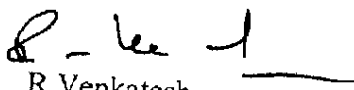
1. We have reviewed the accompanying statement of unaudited financial results ("the statement of accompanied statement") of El Forge Limited ("the company") for the period ended 31st December, 2013 (01.10.2013 to 31.12.2013). The statement is the responsibility of the Company's Management and has been 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) 2400, 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 misstatements. A review is limited primarily to inquiries of company personnel and an analytical procedure 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 opinion.
3. The Company's operating results has been materially affected due to various factors during the quarter ended 31st December, 2013 and as per this report, the net worth has become minus Rs.2677.80 lakh as on the aforementioned date. Accordingly, the appropriateness of the going concern assumption is dependent on the Company's ability to establish consistent profitable operations as well as raising, obtaining or infusing adequate / required fund to meet its short term and long term obligations. In the aforesaid report, we also stated the Current Liability exceeds the Current Assets by an amount of Rs.6490.56 lakh. In case the going concern concept is vitiated, necessary adjustments will be required on the carrying amount of Assets and Liabilities which are not ascertainable. We draw the attention to the Note No.9 of the accompanied statement (which has been prepared based on going concern basis, by the Management) relating to erosion of net worth and current quarter's operating loss.
4. We further draw attention to the Note No.10 of the accompanied statement relating to interest and penalty leviable, if any, for non remittance of statutory dues on account of delay / short remittances of statutory dues which are not ascertainable at present.

RAJAGOPALAN & CO.,

Continuation Sheet.....

5. Based on our review, nothing has come to our attention, except these items referred in the aforesaid paragraphs 03 and 04, that causes us to believe that the accompanying statement prepared in accordance with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with Stock Exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of aggregate amount of public shareholdings in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management.

For P.Rajagopalan & Co
Chartered Accountants
Regn No.of the Firm 003408S


R.Venkatesh
Partner
M.No.28368

Place : Chennai
Date : 14.02.2014

