

**EL FORGE LIMITED**

No.21C, A.R.K.Colony, Eldams Road, Alwarpet, Chennai - 600018

Phone: (044) 42207800 Fax: (044) 42014708 E-Mail: accounts@elforge.comWeb Site : <http://www.elforge.com>

Ref: EFL/MSE/0515/14

15th May, 2014

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

Dear Sir,

Please find enclosed Unaudited financial results of the Company for the quarter ended 31st March, 2014 considered at the meeting of the Board of Directors of the Company on 15th May, 2014.

We are also enclosing Limited Review Report. for the quarter ended 31st March, 2014.

Kindly acknowledge receipt.

Thanking you,

Yours Faithfully

For EL FORGE LIMITED

COMPANY SECRETARY

Encl : As above.



EL FORGE LIMITED

Reg. office: Door No. 21C, A.R.K Colony, Eldams Road, Alwarpet, Chennai - 600071.
Phone: (044) 42207800 Telefax: (044) 42014708 E Mail: elforge@elforge.com
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.03.2014
(Figures in Rupees Lacs)

(Figures in Rupees Lacs)							
Sl. No.	Particulars	Quarter			Accounting Year Nine Months Ended 31.03.2014 (Jul'13 to Mar'14) Unaudited	Previous period Nine Months Ended 31.03.2013 (Jul'12 to Mar'13) Unaudited	Previous Year Ended 30.06.2013 Audited
		Ended 31.03.2014 Unaudited	Ended 31.12.2013 Unaudited	Ended 31.03.2013 Unaudited			
1	Operating Income						
	Gross sales / Income from Operations	1993.01	2316.29	1928.17	6358.85	6182.33	8098.07
	Less: Excise Duty / Sales Tax recovered	37.34	163.12	145.56	466.62	583.31	764.78
	a) Net Sales/Income from Operations	1753.67	2153.27	1782.59	5892.23	5598.72	7333.29
	b) Other Operating Income	0.00	0.00	37.20	252.34	37.20	37.20
	Total Operating Income (1)	1753.67	2153.27	1819.79	6144.57	5635.92	7370.49
2	Expenditure						
	(a) Increase/Decrease in Stock in Trade	52.07	151.11	104.23	153.46	192.91	178.31
	(b) Consumption of Raw Materials	954.15	1091.46	1036.61	3270.91	3128.93	4428.51
	(c) Employees Cost	318.74	340.02	302.01	1017.51	991.72	1221.15
	(d) Depreciation	234.84	235.37	195.34	705.98	585.21	785.36
	(e) Other Expenditure	519.01	694.20	524.12	1924.66	1922.22	2375.52
	Total Expenditure (2)	2072.61	2512.24	2262.31	7072.72	5691.07	9300.85
3	Profit / (Loss) from Operations before other income Interest & Exceptional items (1-2)	(318.94)	(358.97)	(442.52)	(423.11)	(1255.15)	(2020.36)
4	Other Income	22.06	37.21	0.00	50.30	0.70	66.78
	Profit/(Loss) before Interest and exceptional item (3+4)	(296.88)	(321.76)	(442.52)	(372.81)	(1254.45)	(1953.58)
5	Exceptional items (Expense)	588.66			588.66		
6	Interest	616.54	397.69	348.57	211.12	1004.01	1428.46
	Net Profit / (Loss) after interest before exceptional item (5-6)	(289.00)	(719.45)	(791.09)	(1155.59)	(2258.46)	(3382.04)
7	Tax Expenses	0.00	0.00	0.00	0.00	0.00	0.00
8	Previous year tax paid/Provision	0.00	0.00	0.00	0.00	0.00	0.00
9	Net Profit/(Loss) after tax	(289.00)	(719.45)	(791.09)	(1155.59)	(2258.46)	(3382.04)
10	Paid Up Equity Share Capital (Face Value of the share Rs.10/- each)	2032.43	2032.43	2032.43	2032.43	2032.43	2032.43
11	Reserves excluding Revaluation Reserves as per balance sheet	---	---	---	---	---	(3519.21)
12	Earning per Share (EPS) - Basic (Rs.)	(1.32)	(3.54)	(3.89)	(5.59)	(11.11)	(16.64)
	- Diluted (Rs.)	(1.32)	(3.54)	(3.89)	(5.59)	(11.11)	(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/Unencumbered						
	- Number of Shares	7704600	7704600	7704600	7704600	7704600	7704600
	- Percentage of share (as a % of the total shareholding of promoters and promoter group)	91.88	91.88	91.88	91.88	91.88	91.88
	- Percentage of shares (as a % of the total share capital of the company)	37.90	37.90	37.90	37.90	37.90	37.90
	b) Non-encumbered						
	- Number of Shares	681258	681258	681258	681258	681258	681258
	- Percentage of share (as a % of the total shareholding of promoters and promoter group)	8.12	8.12	8.12	8.12	8.12	8.12
	- Percentage of shares (as a % of the total share capital of the company)	3.35	3.35	3.35	3.35	3.35	3.35
Notes							

Notes

- The above results for the quarter ended 31st March 2014, 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 15th May 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 Nil and disposed off during the quarter Nil.
There were no pending complaints at the beginning or end of the quarter.
- Certain export expenses not relating to current period is charged under exceptional expenses.
- The Board has decided to close the accounting year 2013-14 with Nine Months Ending 31.03.2014 in line with Companies Act, 2013.
- Figures have been regrouped/rearranged wherever necessary.

- 7 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.
- 8 The Management is taking steps to remit all statutory dues at the earliest.
- 9 The company has changed the method of accounting of interest on bank borrowings from mercantile to cash basis. The interest on other than Bank Borrowings charged during the Quarter is Rs.94.40Lacs. The amount shown under interest is the net of provision for bank interest in the previous two quarters.
- 10 Unaudited consolidated Financial results for the Quarter ended 31.03.2014. (Rs. in lakhs)

Particulars	Quarter Ended 31.03.2014 Unaudited	Quarter Ended 31.12.2013 Unaudited	Previous Quarter Ended 31.03.2013 Unaudited	Accounting Year Nine Months Ended 31.03.2014 Unaudited	Previous Nine Months Ended 31.03.2013 Unaudited	Year Ended 30th June'13 Audited
Revenue	2598.15	2995.94	2401.62	9148.19	7487.89	10501.92
Net Loss	(233.66)	(716.02)	(737.93)	(1572.91)	(2215.54)	(3409.08)
Earnings Per share						
Basic (In Rs.)	(1.15)	(3.52)	(3.53)	(5.28)	(10.40)	(16.77)
Diluted (In Rs.)	(1.15)	(3.52)	(3.53)	(5.28)	(10.40)	(16.77)

The above consolidated results for the Quarter ended 31st March, 2014 have been approved by the board at its meeting held on 15th May 2014.

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

Sl. No.	Particulars	Quarter			Accounting Year Nine Months Ended 31.03.2014 (Jul'13 to Mar'14) Unaudited	Previous Period Nine Months Ended 31.03.2013 (Jul'12 to Mar'13) Unaudited	Previous Year Ended 30.06.2013 Audited
		Ended 31.03.2014 Unaudited	Ended 31.12.2013 Unaudited	Ended 31.03.2013 Unaudited			
	Segment Revenue						
	Forgings	1753.57	2153.27	1782.59	5892.27	5593.78	7533.29
	Land Income	0.00	0.00	37.20	757.24	37.20	37.20
	Total Revenue	1753.57	2153.27	1819.79	6649.51	5630.98	7570.49
	Segment Results						
	Loss on forgings	(907.60)	(358.97)	(479.72)	(1762.11)	(1292.30)	(2057.56)
	Land Income	0.00	0.00	37.20	757.24	37.20	37.20
	Net Profit/ Loss before interest	(907.60)	(358.97)	(442.52)	(1004.87)	(1255.10)	(2020.36)
	Add: Interest Cost	(616.54)	397.69	348.57	214.22	1004.07	1428.46
	Other Income	22.06	37.21	0.00	90.00	0.70	66.78
	Previous year tax paid/Provision	0.00	0.00	0.00	0.00	0.00	0.00
	Net Profit / Loss	(269.00)	(719.48)	(791.00)	1135.19	(2258.47)	(3382.04)
	Capital Employed						
	Forgings	6257.24	6012.00	6981.90	6257.24	6981.91	6908.80
	Land	1003.18	1003.18	1003.18	1003.18	1003.18	1003.18
	Total	7260.42	7015.18	7985.08	7260.42	7985.08	7912.98

- 12 Consolidated Segment wise report

Particulars	Quarter Ended 31.03.2014 Unaudited	Quarter Ended 31.12.2013 Unaudited	Previous Quarter Ended 31.03.2013 Unaudited	Accounting Year Nine Months Ended 31.03.2014 Unaudited	Previous Nine Months Ended 31.03.2013 Unaudited	Year Ended 30th June'13 Audited
Revenue - Forgings	2598.16	2995.94	2364.42	8390.86	7453.69	10464.72
Land Income	0.00	0.00	37.20	757.34	37.20	37.20
Net Profit / (Loss)	(233.66)	(716.02)	(737.93)	(1572.91)	(2215.54)	(3409.38)

For and on behalf of the Board

M. Ramesh Chandra

VICE CHAIRMAN AND MANAGING DIRECTOR

Date: 15th May 2014

Place: Chennai



P. RAJAGOPALAN & CO.,
CHARTERED ACCOUNTANTS

☎ : 2433 1104
: 2433 2331
No. 2, 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

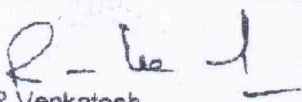
01. We have reviewed the accompanying statement of unaudited financial results ("the statement of accompanied statement") of El Forge Limited ("the company") for the period ended 31st March 2014 (01.01.2014 to 31.03.2014). The statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
02. 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 misstatements. A review is limited primarily to inquiries of 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 opinion.
03. The Company's operating results has been materially affected due to various factors during the quarter ended 31st March, 2014 and as per this report, the net worth has become minus Rs.2946.80 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.6667.31 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.7 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.
04. We further draw attention to the Note No.8 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.
05. We further draw attention to the Note No.9 of the accompanied statement relating to change in the method of accounting of interest on the bank borrowings, from mercantile to cash basis for the entire period of 9 months (01-07-2013 to 31-03-2014), which has resulted in short provisions of Rs.1050.83 Lakh, for the aforesaid period. Accordingly provision of interest made during the earlier two quarters (namely July 2013 to September, 2013 and October, 2013 to December, 2013) amounting to Rs. 710.94 Lakh has been reversed during the current quarter (January, 2014 to March, 2014) and non-provision of interest pertaining to current quarter amounting to Rs.339.88 Lakh. Accordingly, had the provision has been made, the loss for the quarter would have been more by Rs.1050.83 and the net worth would be also by more by minus Rs.1050.83 Lakh.

**P. RAJAGOPALAN & CO.,**

Continuation Sheet.....

06. Based on our review, nothing has come to our attention, except these items referred in the aforesaid paragraphs 03 through 05, 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.
07. 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: 15.05.2014

