



## EL FORGE LIMITED

Regd. Off: No.1A, Sriperumbudur High Road (Via) Singaperumal Koil Appur Village, Kattangulathur Onrium,  
Kancheepuram District – 603 204 Phone: (044)47112500 E-Mail: edf@elforge.com  
Web Site : <http://www.elforge.com> CIN : L34103TN1934PLC000669  
Corporate office: Door No. 21E, A.R.K. Colony, Eldams Road, Alwarpet, Chennai-600018  
Phone: (044-24334010) E-mail (elforgeho@elforge.com)

14<sup>th</sup> December 2017

Ref:EFL/BSE/1209/17

BSE Ltd.,  
Phiroze Jee Bhoy Towers  
Dalal Street  
Mumbai-400 001

Dear Sir,

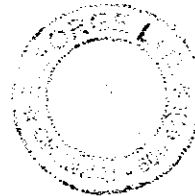
Sub: Quarterly Result  
Ref: Our Company Code No.531144

The Board of Directors of El Forge Ltd have met on the Thursday the 14<sup>th</sup> December, 2017 at 12.00 noon at Corporate office of the Company at 21E, A.R.K. Colony Eldams Road, Alwarpet, Chennai-600018 and considered and approved the Unaudited Financial Results (IND AS format) for Quarter ended 30<sup>th</sup> September 2017.

Thanking you,

Yours faithfully,  
For El Forge Limited

COMPANY SECRETARY



- Encl:1.Limited Review Report  
2. Unaudited Financial results for Quarter ending 30/09/2017  
3. Unaudited Results for publishing



**L. MUKUNDAN & ASSOCIATES**  
Chartered Accountants

Flat No 1,2 Kamala Arcade,  
669 Mount Road,  
Thousandlights, Chennai 600 006  
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To

The Board of Directors  
EL Forge Limited  
No 1A, Sriperumbudur High Road,  
Kattangulathur Onrium,  
Kancheepuram District - 603 204

1. We have reviewed the unaudited financial results of EL Forge Limited (the "Company") for the quarter and six months ended September 30, 2017 which are included in the accompanying 'Statement of Unaudited Financial Results for the Quarter and Six months ended September 30, 2017' and the statement of assets and liabilities on that date together with the notes thereon (the "Statement"). The Statement has been prepared by the Company's management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Statement is the responsibility of the Company's management and has been approved by its board of directors. Further, the management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited balance sheet as at April 1, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.

Our responsibility is to issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. 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 audit opinion.
4. We draw attention to the following matters:
  - i. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2017, and accordingly, the Statement has been prepared by the Company's management in compliance with Ind AS.
  - ii. Non provision of loss or gains on account of Actuarial Valuation, as required by the Indian Accounting Standards, namely, Employees Benefit, as per Ind-AS 19 due to non payment of contribution to Employees Gratuity Plan agreed upon with Life Insurance Corporation of India.
  - iii. Penalty and interest, due to non remittance of statutory dues, on account of delay/ short remittance of statutory dues is not ascertainable at present.
  - iv. The deferred revenue expenses and deferred interest have not been charged to the aforesaid financial results.
  - v. Default of loan, both long terms and short term, obtained by the Company from the Bank.





- vi. A few Creditors have filed cases against the Company, before the Honorable Madras High Court, under Section 433 of the Companies Act, 1956, (or filed before/ transferred to the National Company Law Tribunal, under the Companies Act, 2013) for winding up of the company. The Company has taken up the matter, and it has been explained that Company has been contesting the case and/or following directions given by the Honorable Madras High Court.
- vii. The Company has paid all the fixed deposits which have matured and claimed; but the Company has not paid the Fixed Deposits matured but not claimed. The amount of such deposits works out to Rs. 87.36 Lakh as at September 30, 2017, since the amount is due for payment, the same has been included and/or shown under the grouping current liabilities.
- viii. Shakespeare Forgings Ltd (SFL), a Company incorporated in United Kingdom (UK) was a wholly owned subsidiary (WOS) of the Company. During the Financial year 2014-15, the UK based wholly owned subsidiary (WOS) of the Company has ceased to be 100% foreign subsidiary (with effect from February 2015) and has become as Associate Company (in UK) concern with the meaning of the Companies Act, 2013. However, consolidation of the Financial Statements (Financial Results) has not been prepared, since the Company does not, in the opinion of the management, have any significant control over the affairs and operations of SFL. Accordingly, the loss or profit relating to the aforesaid SFL was not accounted in the books of the Company. The diminution, if any, in value of investment is also not provided in the books of accounts.
- ix. **Going Concern**
- a) The Company's operating results (for the quarter ended September 30, 2017) have been materially affected due to various factors during earlier years and also during the quarter ended September 30, 2017 under report, the Company has huge accumulated losses as on the aforesaid date, which has eroded the entire net worth of the company. Accordingly, the appropriateness of the going concern assumption is depended 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
- b) At the end of the quarter ended September 30, 2017, net worth of the Company has been totally eroded and become negative. Further, the Company's current liabilities (as at September 30, 2017) have also exceeded its Current Assets. These factors also raise doubts about the ability of the company to continue as a going concern.
- c) In case the going concern concept is vitiated, necessary adjustments will be required on the carrying amount of Assets and Liabilities (As at September 30, 2017) which are not ascertainable, at this stage.
- x. **Change in method of Accounting**
- a) With effect from the Financial Year 2013-14, the Company has changed the method of accounting of interest on Bank Borrowings (both short term and long term borrowings) from mercantile method to cash method. Accordingly, an amount of interest (as determined by the Management, based on the information available with them, and relied upon by the auditors) of Rs. 319/- Lakh relating to current quarter under report, has not been provided in the books of account and the same has not been charged as an expense in the statement of Profit and Loss Account for the Financial Period under report.





**L. MUKUNDAN & ASSOCIATES**  
Chartered Accountants

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- b) Had the aforesaid interest been provided, as per the earlier method of accounting, consistently followed by the Company, the operating loss, for the current quarter under report, would have been more by an amount of Rs. 319/- Lakh and to that extent added upto the company's negative network.
- c) In our opinion, the method of accounting of the aforesaid Bank interest is not in accordance with provisions of section 128, 129 and 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.
- xi. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the total comprehensive income and reconciliation to equity for the quarter ended June 30, 2016, quarter and six months ended September 30, 2016 accordingly, we do not express any conclusion on the results in the Statement for the quarter ended June 30, 2016, quarter and six months ended September 30, 2016 respectively. As set out in Note 5 to the Statement, these figures have been furnished by the management.
- xii. The comparative financial information of the Company for the immediately preceding quarter ended June 30, 2017, corresponding quarter and half year ended September 30, 2016 were reviewed by the predecessor auditors who expressed an opinion subject to a few remarks (namely Going Concern, Change in the method of Accounting, case for winding up of the company, overdue unclaimed deposits, etc) on those financial information/ financial statements. Our conclusion is not qualified in respect of these matters.
5. Subject to observations made in the aforesaid paragraph and based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular CIR/ CFD/ FAC/ 62/ 2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For L. Mukundan and Associates**  
Chartered Accountants  
FRN: 010283S



**L. MUKUNDAN**  
Partner  
M No. 204372

Place: Chennai  
Date: December 14, 2017



EL FORGE LIMITED

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Unaudited Standalone Financial Results for the quarter ended September 30, 2017

Statement of Unaudited Standalone Financial Results for the quarter ended September 30, 2017	Quarter ended September 30, 2017 Unaudited	Quarter ended June 30, 2017 Unaudited	Quarter ended September 30, 2016 Not subjected to review/ audit	Six months ended September 30, 2017 Unaudited	Six months ended September 30, 2016 Not subjected to review/ audit
Particulars	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>Income</b>					
Revenue from operations	1,003.65	890.44	872.34	1,894.09	1,763.32
Other income	9.29	-	0.02	9.29	0.02
<b>Total Income - (2=2.1+2.2)</b>	<b>1,012.94</b>	<b>890.44</b>	<b>872.36</b>	<b>1,903.38</b>	<b>1,763.34</b>
<b>Expenses</b>					
Cost of materials and services consumed	616.83	485.15	419.27	1,101.97	922.44
Purchases of Stock-in-Trade - Traded goods	-	-	-	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(36.54)	53.77	50.92	17.22	(1.64)
	<b>580.29</b>	<b>538.92</b>	<b>470.19</b>	<b>1,119.19</b>	<b>920.80</b>
Excise Duty on sale of goods	-	65.12	62.05	65.12	135.50
Employee benefits expense	173.70	163.36	162.80	337.06	336.41
Finance costs	58.04	52.96	69.34	111.00	129.11
Depreciation and amortisation expense	171.03	171.03	231.48	342.06	465.93
Other expenses	254.05	238.40	260.95	492.46	503.63
<b>Total Expenses - (3=2.3 to 2.9)</b>	<b>1,237.11</b>	<b>1,229.79</b>	<b>1,256.81</b>	<b>2,466.89</b>	<b>2,491.38</b>
<b>Profit/ (Loss) before exchange gain/ (loss) on swap contracts, exceptional items and tax</b>	<b>(224.17)</b>	<b>(339.35)</b>	<b>(384.45)</b>	<b>(563.51)</b>	<b>(728.04)</b>
Exchange gain/ (loss) on swap contracts	-	-	-	-	-
<b>Profit/ (Loss) before exceptional items and tax - (4=2-3)</b>	<b>(224.17)</b>	<b>(339.35)</b>	<b>(384.45)</b>	<b>(563.51)</b>	<b>(728.04)</b>
Exceptional Items - 5	-	-	-	-	-
<b>Profit/ (Loss) before extraordinary items and tax</b>	<b>(224.17)</b>	<b>(339.35)</b>	<b>(384.45)</b>	<b>(563.51)</b>	<b>(728.04)</b>
Extraordinary Items	-	-	-	-	-

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<b>Profit/ (Loss) before tax - (6=4-5)</b>	<b>(224.17)</b>	<b>(339.35)</b>	<b>(384.45)</b>	<b>(563.51)</b>	<b>(728.04)</b>
<b>Tax expense:</b>					
(a) Current tax expense	-	-	-	-	-
(b) (Less): MAT credit	-	-	-	-	-
(c) Short / (Excess) provision for tax relating to prior years	-	-	-	-	-
(d) Net current tax expense	-	-	-	-	-
(e) Deferred Tax	-	-	-	-	-
<b>Tax expense - 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the year from continuing operations</b>	<b>(224.17)</b>	<b>(339.35)</b>	<b>(384.45)</b>	<b>(563.51)</b>	<b>(728.04)</b>
Profit from discontinued operations					
Tax Expense of discontinued operations					
<b>Profit for the year from discontinued operations</b>					
<b>Net profit/(Loss) for the period - (8=6-7)</b>	<b>(224.17)</b>	<b>(339.35)</b>	<b>(384.45)</b>	<b>(563.51)</b>	<b>(728.04)</b>
<b>Other Comprehensive Income</b>					
A (i) Items that will not be reclassified to Profit or Loss					
Remeasurement of Defined Benefit Plans	-	-	-	-	-
Tax on the same	-	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss					
<b>Total Other Comprehensive Income - 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income - (10 = 8+9)</b>	<b>(224.17)</b>	<b>(339.35)</b>	<b>(384.45)</b>	<b>(563.51)</b>	<b>(728.04)</b>
Paid of equity share capital ( Face Value of the share of Rs. in Lacs10/- each)-Absolute value	2032.43	2032.43	2032.43	2032.43	2032.43
Earning Per Share (Rs. in Lacs) - Basic and Diluted [Net Profit/(loss) for the period after tax/Weighted average number of equity shares]	(1.10)	(1.67)	(1.89)	(2.77)	(3.58)
	[Not annualised]	[Not annualised]	[Not annualised]	[Not annualised]	[Not annualised]

Notes:

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**EL FORGE LIMITED**
**Disclosure of Standalone Assets and Liabilities as at September 30, 2017**

	As at September 30, 2017
Particulars	Rs Laks
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	5236.10
Capital work-in-progress	302.28
Financial Assets	385.26
(i) Investments	41.47
(iv) Others	22.94
Other non-current assets	5988.05
<b>Current assets</b>	1878.30
Inventories	
Financial Assets	
(i) Investments	1628.99
(ii) Trade Receivables	13.45
(iii) Cash and cash equivalents	2249.11
Other Current Assets	5769.85
<b>Total Assets</b>	<b>11757.90</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Equity Share capital	2032.43
Other Equity	-9044.35
	-7011.92
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Financial Liabilities	8198.64
(i) Borrowings	8198.64
<b>Current liabilities</b>	
Financial Liabilities	3848.65
(i) Borrowings	3642.04
(ii) Trade Payables	2432.53
(iii) Other financial liabilities	448.69
Other current liabilities	176.70
Provisions	22.57
Current Tax Liabilities (Net)	10571.18
<b>Total Equity and Liabilities</b>	<b>11757.90</b>
	0.00



1. The above unaudited standalone financial results for the quarter ended September 30, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on December 14, 2017.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS prescribed under section 133 of the Companies Act, 2013) and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2017 the Company has for the first time adopted Ind AS with a transition date of April 1, 2016.
3. The format of un-audited quarterly results as prescribed in SEBI circular CIR/ CFD/ CMD/ 15/ 2015 dated November 30, 2015 had modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to Companies that are required to comply with Ind AS.
4. Consequent to transition from the previous IGAAP to Ind-AS, the reconciliation of profit is provided as below for the previous period in accordance with the requirements of paragraph 32 of Ind-AS 101 - First time adoption of Ind-AS.

Particulars	Quarter ended September 30, 2017 not subject to review/ audit (Rs in Lacs)	Quarter ended months September 30, 2016 not subject to review/ audit (Rs in Lacs)
Net profit as per Indian GAAP	(193.26)	(359.52)
Add:		
ii. Decrease in fair value of finance assets and liabilities (Net)	(30.91)	(24.93)
Net profit as per Ind AS (A)	(224.17)	(384.45)

5. The Ind AS Compliant corresponding figures in the previous period have not been subjected to review/audit. However the Company's management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.

6. The statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's circular dated July 5, 2016.

7. Segment Wise Revenue, Results as per clause 41 of the listing agreement.

The Company has two business segment (1) Manufacture and Sale of Steel forgings, (2) Land and Development described as "Other Operating Income". The Company has disclosed the same as per IND AS 108.

Particulars	Quarter ended September 30, 2017	Quarter ended September 30, 2016
	Rs. in Lacs	Rs. in Lacs
<b>Segment Revenue</b>		
Forgings	1,012.94	872.36
Land Income	-	-
<b>Total Revenue</b>	1,012.94	872.34
<b>Segment Results</b>		
Loss on forgings	(224.17)	(384.45)
Land Income	-	-
<b>Net Profit / Loss</b>	(224.16)	(384.45)

*Warrant*





8. Previous period figures have been regrouped / reclassified, wherever necessary, to conform to the current classification of this quarter.
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. The company has changed the method of accounting of interest on bank borrowings from mercantile to cash basis. However, The Interest on Borrowings, Other than Bank Borrowings, are charged during the year.
12. The consolidated statements of El Forge Ltd & Shakespeare Forging Ltd has not been included as, shakespeare forging ltd does not fall under the definition of an associated company under the Companies Act 2013, read with the Accounting Standard-23 on "Accounting for Investment in Associates" in Consolidated Financial Statements.
13. 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.
14. Revenue for the current quarter ended 30th September, 2017 is net of Goods and Service tax, as against the revenue of the previous quarter ended 30th June 2017, which include central excise (but excludes Commercial Taxes, i.e., VAT and CST). To this extent the revenue of the current quarter may not be comparable with that of immediately preceeding quarter.

For and on behalf of the Board



K.V. RAMACHANDRAN

Date : 14/12/2017

Place : Chennai





# EL FORGE LIMITED

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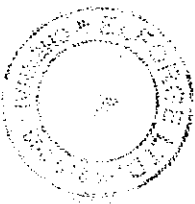
Unaudited Standalone Financial Results for the quarter ended September 30, 2017

Statement of Unaudited Standalone Financial Results for the quarter ended September 30, 2017	Quarter ended September 30, 2017 Unaudited	Quarter ended June 30, 2017 Unaudited	Quarter ended September 30, 2016 Not subjected to review/ audit	Six months ended September 30, 2017 Unaudited	Six months ended September 30, 2016 Not subjected to review/ audit
Particulars	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
1 Total Income from Operations	1012.94	890.44	872.36	1803.39	1763.34
2 Net Profit/(Loss) from ordinary activities after tax	(224.17)	(339.34)	(384.45)	(563.51)	(728.04)
3 Net Profit/(Loss) for the period after tax (after extraordinary items, other income)	(224.17)	(339.34)	(384.45)	(563.51)	(728.04)
4 Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after tax) and other comprehensive income (after tax)	(224.17)	(339.34)	(384.45)	(563.51)	(728.04)
4 Paid Up Equity Share Capital (Face Value of the share Rs. 10/- each)	2032.43	2032.43	2032.43	2032.43	2032.43
5 Reserves excluding Revaluation Reserves as per balance sheet	(10263.38)	(10131.89)	(9003.44)	(10263.38)	(9003.44)
6 Earning per share in Rs. Before extraordinary items (Not Annualised)	(1.10)	(1.67)	(1.89)	(2.77)	(3.58)
Basic	(1.10)	(1.67)	(1.89)	(2.77)	(3.58)
Diluted	(1.10)	(1.67)	(1.89)	(2.77)	(3.58)
7 Earning per share in Rs. after extraordinary items (Not Annualised)	(1.10)	(1.67)	(1.89)	(2.77)	(3.58)
Basic	(1.10)	(1.67)	(1.89)	(2.77)	(3.58)
Diluted	(1.10)	(1.67)	(1.89)	(2.77)	(3.58)

## Notes:

- The above is an extract of the detailed format of Unaudited Financial Results for the Quarter Ended 30th September, 2017 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations 2015. The full format of the said results are available on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and on the Company's website [www.elforge.com](http://www.elforge.com)
- Results for the quarter ended 30th September, 2017 are in compliance with the Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs. Accordingly, results for the corresponding quarter ended 30th September 2016 and previous year ended 31st March 2017 have been restated to comply with Ind - AS to make those comparable.
- The above results duly reviewed by Audit Committee, have been approved by the Board of Directors in its meeting held on 14th December 2017.

Date : 14/12/2017  
Place : Chennai



For and on behalf of the Board  
*K.V. Ramachandran*  
K.V. RAMACHANDRAN  
VICE CHAIRMAN AND MANAGING DIRECTOR