

## B. Chhawchharia & Co.

Chartered Accountants

8A & 8B, Satyam Towers  
3, Alipore Road, Kolkata - 700 027, India  
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### Review Report to M/s MSP STEEL & POWER LIMITED

1. We have reviewed the accompanying statement of unaudited financial results of M/s MSP STEEL & POWER LIMITED for the quarter ended September 30, 2012 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 not 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 this 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures 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 audit opinion.
3. *Attention is drawn to the tax treatment regarding gain of Rs 3,025 lacs arisen on settlement of commodity transactions in an earlier year, settled otherwise than through an actual delivery, which was in the nature of speculative income. However, based on a legal opinion obtained, the same has been treated as income from normal business by the Company. Consequently, we are unable to comment on the income tax impact of this transaction in the accompanying statement of unaudited financial results.*
4. Based on our review conducted as above and *except for the possible effect of our observation in Para 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized 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.

Kolkata  
November 10, 2012



**B Chhawchharia & Co.**  
Firm Registration No.: 305123E  
Chartered Accountants

  
Vikram Dhanania  
Partner

Membership No. 060568  
Address: 8A & 8B, Satyam Towers  
3, Alipore Road  
Kolkata - 700 027



## MSP STEEL & POWER LIMITED

Regd. Office: 1, Crooked Lane, Kolkata - 700 069  
Corp. Office: 16 / S, Block A, New Alipore, Kolkata - 700 053  
[www.mspsteel.com](http://www.mspsteel.com)

### Statement of Reviewed Results for the Quarter ended 30th September, 2012

(Amount ₹ in Lac)

**Part - I**

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	(Reviewed)			(Reviewed)		(Audited)
1 (a) Gross Sales/Income from Operations	21,781.00	24,070.41	17,317.58	45,851.41	35,842.38	73,863.73
Less: Excise Duty	2,152.68	2,442.43	1,220.72	4,595.11	2,647.01	5,518.39
Income from Operations (Net)	19,628.32	21,627.98	16,096.86	41,256.30	33,195.37	68,345.34
(b) Other Operating Income	239.10	265.13	6.09	504.23	300.38	1,287.58
<b>Total income from operations (net)</b>	<b>19,867.42</b>	<b>21,893.11</b>	<b>16,102.95</b>	<b>41,760.53</b>	<b>33,495.75</b>	<b>69,632.92</b>
2 Expenditure:						
(a) Cost of Materials Consumed	11,413.06	12,619.46	8,268.67	24,032.52	18,905.21	42,808.96
(b) Purchase of Stock in Trade	1,011.21	-	2,450.40	1,011.21	3,782.16	5,796.44
(c) (Increase)/Decrease in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	(403.67)	691.15	645.25	287.48	3.93	(1,800.79)
(d) Employees Costs	672.81	516.92	474.75	1,189.73	939.51	1,840.49
(e) Depreciation	1,267.71	747.26	717.60	2,014.97	1,434.76	2,908.78
(f) Other Expenditure	3,065.07	4,121.50	2,166.04	7,186.57	4,339.32	9,374.20
<b>Total Expenses</b>	<b>17,026.19</b>	<b>18,696.29</b>	<b>14,722.71</b>	<b>35,722.48</b>	<b>29,404.89</b>	<b>60,928.08</b>
3 Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	2,841.23	3,196.82	1,380.24	6,038.05	4,090.86	8,704.84
4 Other Income	81.08	132.39	133.02	213.47	257.81	522.76
<b>Profit from Ordinary Activities before Finance Costs and Exceptional Items (3+4)</b>	<b>2,922.31</b>	<b>3,329.21</b>	<b>1,513.26</b>	<b>6,251.52</b>	<b>4,348.67</b>	<b>9,227.60</b>
6 Finance Costs	2,541.61	1,807.40	1,399.24	4,349.01	2,732.35	5,859.13
7 Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	380.70	1,521.81	114.02	1,902.51	1,616.32	3,368.47
8 Exceptional Items	-	-	-	-	-	-
9 Profit before Taxes (7-8)	380.70	1,521.81	114.02	1,902.51	1,616.32	3,368.47
10 Tax Expense						
Current Tax [Minimum Alternate Tax (MAT)]	83.80	309.79	28.24	393.59	332.36	729.78
MAT Credit Entitlement	(76.12)	(304.48)	(135.51)	(380.60)	(195.74)	(435.08)
Deferred Tax Charge	128.64	495.93	(13.34)	624.57	108.28	470.68
11 Net Profit for the Period (9-10)	244.38	1,020.57	234.63	1,264.95	1,371.42	2,603.09
12 Paid up Equity Share Capital (Equity shares of ₹ 10/-each)	6,810.00	5,810.00	5,810.00	6,810.00	5,810.00	5,810.00
13 Reserves excluding Revaluation Reserves	N.A.	N.A.	N.A.	N.A.	N.A.	28,942.88
14 Earnings Per Share (EPS) (in ₹)						
Basic	0.36	1.76	0.40	2.01	2.36	4.39
Diluted	0.36	1.56	0.40	2.01	2.36	4.26

**PART - II**

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	(Unaudited)			(Unaudited)		(Audited)
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public Shareholding						
-- Number of Shares	19,136,500	16,326,500	16,326,500	19,136,500	16,326,500	16,326,500
-- Percentage of Shareholding	28.10%	28.10%	28.10%	28.10%	28.10%	28.10%
2 Promoters and Promoter Group shareholding						
a) Pledged/ Encumbered						
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of Shares (as a % of total shareholding of Promoter and Promoter Group)	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of Shares (as a % of total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non Encumbered						
- Number of shares	48,963,500	41,773,500	41,773,500	48,963,500	41,773,500	41,773,500
- Percentage of Shares (as a % of total shareholding of promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of Shares (as a % of total share capital of the Company)	71.90%	71.90%	71.90%	71.90%	71.90%	71.90%

B Particulars	Quarter ended 30.09.12
<b>INVESTOR COMPLAINTS</b>	
Pending at the beginning of the Quarter	Nil
Received during the Quarter	Nil
Disposed during the Quarter	Nil
Remaining Unresolved at the end of the Quarter	Nil



**Statement of Assets and Liabilities :**

(Amount ₹ in Lac)

Sl. No.	Particulars	Half Year ended		Year ended	
		30.09.2012		31.03.2012	
		(Reviewed)		(Audited)	
<b>A</b>	<b>Equity and Liabilities</b>				
1	<b>Shareholders' funds</b>				
	Share Capital	7,689.40		6,689.40	
	Reserves and Surplus	35,203.32		28,942.88	
		<b>42,892.72</b>		<b>35,632.28</b>	
2	Share Application money pending allotment	-		3,181.00	
3	<b>Non-Current Liabilities</b>				
	Long-Term Borrowings	61,529.25		46,930.75	
	Deferred Tax Liabilities (net)	4,432.58		3,808.01	
	Long Term Provisions	185.02		158.98	
	Other Liabilities	157.77		297.29	
		<b>66,304.62</b>		<b>51,195.03</b>	
4	<b>Current Liabilities</b>				
	Short-Term Borrowings	33,026.12		36,094.52	
	Trade Payables	8,947.50		5,243.78	
	Other Current Liabilities	14,144.77		14,093.58	
	Short Term Provisions	785.77		631.31	
		<b>56,904.16</b>		<b>56,063.19</b>	
	<b>TOTAL</b>	<b>166,101.50</b>		<b>146,071.50</b>	
<b>B</b>	<b>Assets</b>				
1	<b>Non-Current Assets</b>				
	Fixed Assets				
	Tangible Assets	90,964.96		49,582.23	
	Capital Work-In-Progress	13,200.40		51,655.36	
	Long Term Investments	3,241.91		3,241.91	
	Long-Term Loans and Advances	3,679.92		3,062.75	
	Other Non-Current Assets	1,018.56		1,514.73	
		<b>112,105.75</b>		<b>109,056.98</b>	
2	<b>Current Assets</b>				
	Inventories	24,368.59		21,007.76	
	Trade Receivables	7,914.22		4,598.53	
	Cash and Cash Equivalents	831.19		720.69	
	Short-Term Loans and Advances	20,004.50		10,127.68	
	Other Current Assets	877.25		559.86	
		<b>53,995.75</b>		<b>37,014.52</b>	
	<b>Total</b>	<b>166,101.50</b>		<b>146,071.50</b>	

**Notes**

- 1 The Company has only one business segment namely "Iron & Steel".
- 2 There were no exceptional /extraordinary items during the respective periods reported above.
- 3 EPS for the quarter is not annualised.
- 4 During the quarter, the Company has issued and allotted 10,000,000 equity shares of Rs 10 each (at a premium of Rs 50 each) on preferential basis.
- 5 The Statutory Auditors in their review report have expressed their inability to ascertain the impact of tax treatment arising on the income from commodity transactions in an earlier year, which was in the nature of speculative income, on the statement of unaudited financial results. The management is of the opinion that this is normal business income and does not foresee any impact of the same on the financial results of the Company.
- 6 The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of directors at their respective meetings held on November 10, 2012 and have been subjected to limited review by the statutory auditors.
- 7 Previous period figures have been regrouped/rearranged wherever considered necessary.

Place : Kolkata  
Date : November 10, 2012



By Order of the Board

*Suresh Kumar Agrawal*  
Suresh Kumar Agrawal  
Managing Director