

**RMG ALLOY STEEL LTD**

Regd. Office : Plot No. 1, GIDC Industrial Estate, Jhagadia, Dist. Bharuch, Gujarat.

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31st DECEMBER 2014**

**PART I**

(Rs. In Lac)

Sr.No	Particulars	Quarter Ended			Nine Month ended		Year ended
		31st	30th	31st	31st	31st	31st March
		December	September	December	December	December	
		2014	2014	2013	2014	2013	2014
Unaudited			Unaudited		Audited		
1	<b>Income from Operations</b>						
a)	Net sales / Income from operations	6,080	11,198	10,407	27,034	31,720	41,628
b)	Other operating income	23	13	2	60	46	84
	<b>Total</b>	<b>6,102</b>	<b>11,211</b>	<b>10,409</b>	<b>27,093</b>	<b>31,766</b>	<b>41,712</b>
2	<b>Expenses</b>						
a)	Cost of materials consumed	4,506	6,691	5,823	18,012	19,943	25,987
b)	Purchase of Stock in Trade	0	-	-	140	-	-
c)	Changes in inventories of finished goods, work in progress and stock in trade	(587)	1,432	1,388	420	1,381	1,749
d)	Employees benefit expenses	393	405	454	1,238	1,498	1,953
e)	Depreciation	296	294	562	885	1,676	2,228
f)	Power & fuel	1,336	1,905	1,608	5,068	5,018	6,619
~)	Other expenses	928	1,353	1,171	3,215	4,144	5,296
	<b>Total</b>	<b>6872</b>	<b>12080</b>	<b>11006</b>	<b>28978</b>	<b>33660</b>	<b>43832</b>
3	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(770)</b>	<b>(869)</b>	<b>(597)</b>	<b>(1,885)</b>	<b>(1,894)</b>	<b>(2,120)</b>
4	Other income	35	179	30	259	115	159
5	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(735)</b>	<b>(690)</b>	<b>(567)</b>	<b>(1,626)</b>	<b>(1,779)</b>	<b>(1,961)</b>
6	Finance Costs	1,209	1,375	1,097	3,755	3,738	4,970
7	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(1,943)</b>	<b>(2,065)</b>	<b>(1,664)</b>	<b>(5,380)</b>	<b>(5,517)</b>	<b>(6,931)</b>
8	Exceptional Items (refer note no 6)	-	-	3,518	-	3,518	3,519
9	<b>Profit/(Loss) from ordinary activities before tax (7-8)</b>	<b>(1,943)</b>	<b>(2,065)</b>	<b>1,854</b>	<b>(5,380)</b>	<b>(1,999)</b>	<b>(3,412)</b>
10	Tax expenses	-	-	-	-	-	-
11	<b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>(1,943)</b>	<b>(2,065)</b>	<b>1,854</b>	<b>(5,380)</b>	<b>(1,999)</b>	<b>(3,412)</b>
12	Extraordinary Item (net of tax expense Rs.nil)	-	-	-	-	-	-
13	<b>Net Profit(+)/Loss(-) for the period (11-12)</b>	<b>(1,943)</b>	<b>(2,065)</b>	<b>1,854</b>	<b>(5,380)</b>	<b>(1,999)</b>	<b>(3,412)</b>
14	Paid-up equity share capital (Rs.6/- per equity share)	0	6,506	6,506	6,506	6,506	6,506
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(21,451)
16i	<b>Earnings per share (before extraordinary items)</b>						
	Basic & Diluted (In Rupees) (Face Value of Rupees 6/ Each)	(1.93)	(2.03)	1.71	(5.34)	(1.84)	(3.65)
16ii	<b>Earnings per share (after extraordinary items)</b>						
	Basic & Diluted (In Rupees) (Face Value of Rupees 6/ Each)	(1.93)	(2.03)	1.71	(5.34)	(1.84)	(3.65)
<b>PART II</b>							
A	<b>PARTICULARS OF SHAREHOLDING</b>						
	Public Shareholding						
	Number of shares	13,816,981	13,816,981	13,817,166	13,816,981	13,817,166	13,816,981
	Percentage of shareholding	12.74	12.74	12.74	12.74	12.74	12.74
18	Promoters & Promoter group shareholding						
a)	Pledged/Encumbered						
	Number of shares						
	Percentage of shares (as a % of the total shareholding of promoters & promoter group)						
	Percentage of shares (as a % of the total share capital of the company)						
b)	Non-encumbered						
	Number of shares	94,618,859	94,618,859	94,618,674	94,618,859	94,618,674	94,618,859
	Percentage of shares (as a % of the total shareholding of promoters & promoter group)	100	100	100	100	100	100
	Percentage of shares (as a % of the total share capital of the company)	87.26	87.26	87.26	87.26	87.26	87.26
B	<b>Investor Complaints</b>						
	Pending at the beginning of the quarter	1					
	Received during the quarter	3					
	Disposed of during the quarter	4					
	Remaining unresolved at the end of the quarter	-					

Notes :

- 1 The above results were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors at its meeting held on 10th February 2015. The Statutory Auditor have carried out a limited review of the above results pursuant to clause 41 of the listing agreement.
- 2 The Company is engaged in the business of steel & steel products such as Seamless Tubes & Rolled Products which in the opinion of the Management is considered the only business segment in the context of Accounting Standard 17 on "Segment Reporting".
- 3 Deferred tax asset is more than deferred tax liability as computed in accordance with the Accounting Standard AS 22, notified in the Companies (Accounting Standards) Rules 2006, The Company, as a matter of prudence has not recognised deferred tax asset.
- 4 Operating performance of the company has been significantly impacted during the quarter compare with the corresponding quarter of the previous year . This is mainly due to breakdown of the transformer, apart from lackluster demand, liquidity tightness and overall global weakness. The management had taken steps to reduce the finance cost by infusing fresh share capital and Expected receipt of fiscal incentives will also result into reduction of finance cost and improve liquidity of the company. Further, increase in demand from auto motive, infrastructure and engineering industry from the multiyear lows, will result in increase demand for company's products, which will help to improve its profitability in the near future. Also the company has received approvals from OEM's for certain value added products. Management thus, expects substantial improvement in utilization of capacity. Accordingly, the financial statements have been prepared on going concern basis and no adjustments are required to the carrying amount of assets and liabilities.
- 5 Depreciation has been provided as per Schedule II of the Companies Act, 2013. As a result ,the depreciation charge for the Quarter ended and nine month ended 31st December 2014 is lower by Rs 273 lac and Rs. 797 lac respectively. The corresponding amount for the quarter ended 30th June 2014 and 30th September 2014 was Rs. 262 lac and Rs 262 lac respectively .Which has resulted in decrease of loss for the nine month . Furthermore , In respect of fixed assets whose useful live have been completed on 31st March, 2014 ,Rs.2898 lac was adjusted with retained earnings in quarter ended 30th June, 2014.
- 6 During the Financial Year 2013-14 as per the Government Resolution No. (GR) MIS – 1022012 -593970-1 dated 08.07.2013 for extension of time period for the BIFR registered sick unit, these units can avail sanctioned incentive under various Industrial Policies issued by the Industries and Mines Department of Government of Gujarat. Accordingly, the company has exercised the option for the VAT/Sales tax and accounted for the same on the basis of the above stated GR.
- 7 The figures for the previous periods / year has been regrouped / rearranged, wherever necessary, to make them comparable.

  
For on the Behalf of Board

  
Director

Date : 02.2015  
Place : Mumbai

To,  
The Board of Directors of RMG Alloy Steel Limited,

**LIMITED REVIEW REPORT ON THE UNAUDITED FINANCIAL RESULTS OF RMG ALLOY STEEL LIMITED FOR THE QUARTER AND NINE MONTH ENDED 31<sup>st</sup> December, 2014.**

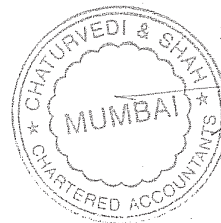
We have reviewed the accompanying statement of unaudited financial results ('the statement') of RMG Alloy Steel Limited ('the company') for the quarter and Nine Month ended 31<sup>st</sup> December, 2014 being submitted by the company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchange, except for the disclosures regarding 'Public Shareholding', 'Promoter and Promoter Group Shareholding' and number of investor complaints which have been traced from disclosures made by the management and have not been audited by us. 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.

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 statements is free of material misstatements. 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement with the Stock Exchange, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 4 of the accompanying statement; the Company's net worth is eroded and the Company has continued incurring losses for the quarter and nine month ended 31<sup>st</sup> December, 2014, indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. Considering the matters set out in the said note, this statement is prepared on a going concern basis. Our report is not qualified in respect of this matter.

For Chaturvedi & Shah  
Chartered Accountants  
Firm's Registration No. 101720W



Parag D. Mehta  
Partner  
Membership No. 113904

Place: Mumbai  
Date: 10<sup>th</sup> February, 2015