



METALYST FØRGINGS LIMITED

CIN: L28910MH1977PLC019569

Registered office: Gat No 614, Village Kuruli, Khed,Pune MH 410501 IN

E-Mail: corporatemetalyst@gmail.com , info@metalyst.co.in

Tel: 91-8087090023 website: www.metalyst.co.in

Ref.No. MFL/BSE/NSE/2024-25

Date: 15th April 2024

To,

The Secretary, BSE Limited, Phiroze Jeejeebhoy, Towers Limited, Dalal Street, Mumbai - 4000 01.	The Secretary, National Stock Exchange Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Scrip Code: 513335	Symbol: METALFORGE

Sub: Unaudited Standalone Financial Results Along with Limited Review Report For the Quarter and three months ended on June 2023.

Dear Sir/Ma'am,

Pursuant to the provision of Regulation 30 & 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Unaudited Standalone Financial Result of the Company for the Quarter and three months ended June 30, 2023, were approved and taken on record by the Resolution Professional of the Company at their meeting held on 15th April, 2024. Consequent to same, we enclosed, the following:

1. The Standalone Unaudited Financial Results of the Company for the Quarter and three months ended on June 30, 2023.
2. Limited Review Report on the aforesaid Unaudited Financial Results of the Company for the Quarter and three months ended on June 30, 2023

The Resolution Professional approved the Unaudited Standalone Financial on 15th April, 2024 at 04:40 p.m. and concluded at 05:20 p.m.

Kindly note that the above referred shall be available at the website of the company i.e., <http://www.metalyst.co.in>

You are requested to take the above information on records.

Thanking You,
Yours faithfully,

**For Metalyst Forgings Limited
(A Company under Corporate Insolvency Resolution Process)**

DIVYA
SRIVASTAVA

Digitally signed by DIVYA
SRIVASTAVA
Date: 2024.04.15 17:06:03 +05'30'

(Divya Srivastava)

**Company Secretary and Compliance Officer
Issued with Approval of Mr. Dinkar T. Venkatasubramanian
(Resolution Professional)**

IP Registration no. IBBI/IPA-001/IP-P00003/2016-17/10011

(Metalyst Forgings Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016. Its affairs, business and assets are being managed by the Resolution Professional, Mr. Dinkar T. Venkatasubramanian, appointed as Interim Resolution Professional by the National Company Law Tribunal by order dated 15 December, 2017 and continued as Resolution Professional by the Committee of Creditors in its meeting held on 12 January, 2018 under provisions of the code)

Jayesh Sanghrajka & Co LLP

Chartered Accountants

Independent Auditor's Limited Review report on Unaudited Financial Results of Metalyst Forgings Limited pursuant to the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for the quarter ended June 30, 2023.

To:

**Resolution Professional,
Metalyst Forgings Limited**

- a) We were engaged to conduct limited review of the accompanying of Unaudited Financial results of **Metalyst Forgings Limited**, (the "Company"), for the quarter ended June 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 (the Circular).
- b) The company has gone into Corporate Insolvency Resolution Process ("CIRP") vide order of the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT") dated December 15, 2017, under the provision of the Insolvency & Bankruptcy Code 2016 ("Code"). Pursuant to the Order, the powers of the Board of Directors stand suspended and such powers are exercisable by Mr. Dinkar T. Venkatasubramaniam, who has been appointed as Interim Resolution Professional by Hon'ble NCLT vide order dated December 15, 2017, and was consequently confirmed as Resolution Professional (RP) by the Committee of Creditors (COC) in its meeting held on January 12, 2018. The members of the COC (vide the meeting held 18 May 2018) authorized RP to file an application to Hon'ble NCLT for extension of CIRP period by 90 days (i.e. from 180 days to 270 days) as per the Code. The COC approved the resolution plan submitted by Deccan Value Investors L.P ("DVI") in its meeting dated August 21, 2018, and sent it to Hon'ble NCLT for its approval. However, DVI withdrew its application while the same was pending for approval from the Hon'ble NCLT. The matter was litigated in NCLT and NCLAT and subsequently in Hon'ble Supreme Court of India. The apex court vide its order dated March 19, 2024, overturned the orders of NCLT and NCLAT allowing DVI to withdraw the resolution plan. The matter has been directed to NCLT for further hearing.
- c) The unaudited financial results of the Company for the quarter ended June 30, 2023, have been taken on record by the RP while discharging the power of the Board of Directors of the Company in accordance with the Hon'ble NCLT order solely for the purpose of ensuring regulatory compliance. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India, is the responsibility of the

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Company's Management and the RP. The statement has been signed by the CFO and the RP. Our responsibility is to express a conclusion on the Statement based on our review.

- d) We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and hence, we do not express an audit opinion.
- e) Based on the review procedures performed by us, we believe that we were not able to obtain sufficient and appropriate evidence to provide a basis for our reporting on the Statement. We observed limitations regarding availability of original documents and information, satisfactory explanations, and justifications for our review, as evident from the matters described in Paragraph No. 1 to 12 below.
- 1 As per "IND AS 36 Impairment of Assets", the Company should assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The company has not assessed recoverability of following assets:

Balance with revenue authorities:

There is a VAT refund receivable of Rs 707.73 lakhs for FY 2014-15, FY 2015-16, and FY 2016-17 in the books of accounts. As per the Assessment orders received in January 2023 for these years, the refund amount is assessed at Rs 300.47 Lakhs. The company has not filed any appeal against the said orders. Further, the company has not reduced the balance in books of accounts. Thus, the accumulated losses are understated and the balance with the revenue authorities is overstated to the extent of Rs 407.26 lakhs.

TDS receivable:

Out of total balance of Rs 105.12 lakhs, Rs 49.92 lakhs are adjusted against all old demands. No appeal has been made with respect to such adjustments. Further, the company has not reduced the balance in books of accounts. Thus, the accumulated loss is understated, and the TDS Receivable balance is overstated to the extent of Rs 49.92 lakhs.

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Advance to creditors:

Out of total balance of Rs 785.94 lakhs, 545.60 lakhs are overdue for substantially longer period. The management/RP has neither prepared ageing report nor determined fair value/ recoverable value of these advances. Accordingly, we are unable to ascertain the possible effect of the same on the statements.

Property plant and Equipment and Capital Work in Progress:

The Management/RP has not done impairment testing on Property, plant and equipment and Capital Work in Progress. We are informed by the management that since the company is under CIRP process, it is not possible for them to determine value in use and hence impairment testing has not been carried out. Accordingly, we are unable to ascertain the possible effects of the same on the statements.

- 2 As per IND AS 109 "Financial Instruments" the Company should recognize a loss allowance for expected credit loss (ECL) on all financial assets. The management/RP has not ascertained the impact of ECL on the current balances of trade receivables and security deposits. In absence of balance confirmations or any other supporting documents confirming recoverability of these balances, we are unable to ascertain the possible effect of the same on the Statements.
- 3 The company has not maintained its Fixed Asset register. Accordingly, we cannot comment on the accuracy of the value of Property, Plant and Equipment, current & Accumulated depreciation, and its possible impact on the financial statements.
- 4 Certain current accounts with banks having an aggregate balance of Rs. 24.81 Lakhs are not confirmed due to non-availability of balance confirmation as well as statements from respective Banks. In the absence of these details, we are unable to ascertain the possible impact on financial statements.
- 5 Balance of Trade receivables, advances paid advances received, security deposits and Trade payables are subject to confirmations and consequent adjustments, if required. In absence of balance confirmations, financial impact on financial results is not ascertainable. As per the Insolvency and Bankruptcy code, the RP has received, verified, and admitted the claims submitted by the creditors. Pending finalisation of resolution plan, the impact of such claims if any, have not been considered in the statements.
- 6 We have not been provided with inventory records containing information related to inwards, outwards, consumption and closing stock in quantity as well as valuation of cost. We have been provided with physical verification reports of M/s SR MALU & Co. wherein there are qualifications regarding provisions required in valuation of inventory. In absence of these complete data, we cannot verify accuracy of cost of inventory. Furthermore, we cannot ascertain whether the cost of inventory is stated at lower of cost or NRV and possible impact on the financial statements.

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- 7 As per IND AS 116 "Leases", at the commencement date, a lessee shall recognize a right-of-use asset and a lease liability. A lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The company has taken premises on lease. However, the Company has not complied with the requirements of the IND AS.
 - 8 As per Ind AS 109 "Financial Instruments", security deposits paid for taking the premises on lease should be initially measured at the present value of the expected future cash flows, discounted using a market-related rate. However, the Company has not complied with the requirements of the IND AS.
 - 9 As per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. The Company has failed to comply with the requirement of this INDAS which has led to an impact of loss being overstated by Rs. 89.77 lakhs
 - 10 Unpaid / Unclaimed dividend pertaining to the financial years 2012-13 to 2013-14 has not been transferred to Investors Education and Protection Fund (IEPF).
 - 11 The company has carried forward MAT credit of Rs 7258.30 Lakhs and disclosed under non-current assets. The company has been under CIRP since Dec 15, 2017. As per the provisions of the Income Tax Act 1961, MAT Credit can be carried forward for a maximum period of seven years. Considering the ongoing corporate insolvency resolution process and low probability of utilizing this credit against Income Tax liability, the MAT credit should be reduced and accounted for in the books of accounts. The management/RP has not reduced the balance of credit. Thus, the assets of the company are overstated and accumulated losses are understated to that extent.
 - 12 The company has accumulated losses of Rs. 2,63,043.07 Lakhs and its net worth is fully eroded. It has incurred net loss during the quarter ended June 30, 2023, amounting to Rs. 6,161.60 Lakhs. It is unable to repay its debts and meet other financial obligations/commitments. The application of Financial Creditors under section 9 of the Insolvency and Bankruptcy Code (IBC) has been admitted by Hon'ble NCLT, Mumbai Bench. The company has been in the CIRP process under the code since December 15, 2017. The resolution plan of DVI has been accepted by the COC. Considering these facts, the financial statements are prepared on a going concern basis.
- f) Because of the significance of the matters described in the Paragraph No. 1 to 12 above, we have not been able to obtain moderate assurance as to whether the statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the statement has disclosed the information required in terms of Regulation 33 of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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g) We draw attention to the following:

Considering the ongoing corporate insolvency resolution process, interest on the financial debt from the date of commencement of CIRP i.e. from Dec 15, 2017, till June 30, 2023, have not been provided in the books of accounts and charged to profit and loss account.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 104184W/W100075

Hemant Agrawal



Hemant Agrawal

Designated Partner

Membership No: 403143

UDIN: 24403143BKDIEQ4806

Date: 15th April, 2024.

Place: Mumbai

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METALYST FØRGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :
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Tel.: +91- 2135-252148 Fax: +91-2135-252105
CIN No. is L28910MH1977PLC019569

Statement of Un-audited Financial Results for the quarter 30th June, 2023

Rupees In Lakhs

S.No.	Particulars	Quarter Ended		Year /Period Ended	
		30.06.2023	30.06.2022	30.06.2023	31.03.2023
		Unaudited	Unaudited	Unaudited	Audited
1	Revenue				
	Revenue from operations	6,672	6,852	6,672	26,159
	Other Income	5	2	5	44
	Total Revenue	6,677	6,853	6,677	26,203
2	Expenses				
	Cost of Material consumed	4,303	4,272	4,303	16,812
	Changes in inventories of finished goods, work in progress and stock in trade	-43	84	(43)	218
	Employee Benefits Expense	682	619	682	2,516
	Finance Costs	35	31	35	130
	Depreciation & Amortization Expenses	6,083	6,129	6,083	24,383
	Other Expenses	1,778	1,683	1,778	6,184
	Total Expenses	12,838	12,818	12,838	50,243
3	Profit /(Loss) before exceptional items and tax (1-2)	(6,162)	(5,965)	(6,162)	(24,040)
4	Exceptional Items [(income) /Expenses]	-	-	-	7,348
5	Profit/(Loss) before tax (3-4)	(6,162)	(5,965)	(6,162)	(31,388)
6	Tax expense:				
	(i) Deferred tax	-	-	-	-
	(ii) MAT reversal	-	-	-	-
	Total Tax Expenses	-	-	-	-
7	Profit/(Loss) for the period from continuing operations (5-6)	(6,162)	(5,965)	(6,162)	(31,388)
	Other Comprehensive Income				
	A (i) items that will not be reclassified to profit or loss	-	-	-	49
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	B (i) items that will be reclassified to profit or loss	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-
8	Other Comprehensive Income[A(i)+A(ii)+B(i)+B(ii)]	-	-	-	49
9	Total Comprehensive Income/(Loss) for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (7+8)	(6,162)	(5,965)	(6,162)	(31,339)
10	Paid-up equity share capital (Face Value of Rs.10 each)	4,355	4,355	4,355	4,355
11	Reserves excluding Revaluation Reserves as per balance sheet	-	-	-	(2,56,881)
12	Earnings per equity share (for continuing operation) (not annualised)				
	(1) Basic	(14.15)	(13.70)	(14.15)	(72.07)
	(2) Diluted	(14.15)	(13.70)	(14.15)	(72.07)
13	Earning per equity share (for continuing & discontinued operation) (not annualised)				
	(1) Basic	(14.15)	(13.70)	(14.15)	(72.07)
	(2) Diluted	(14.15)	(13.70)	(14.15)	(72.07)



Chaitanya

[Signature]

METALYST FØRGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

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Notes to financial results:

- 1 The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of The Insolvency and Bankruptcy Code 2016 (Code). Pursuant to the order, Mr Dinkar T. Venkatasubramanian was appointed as Interim Resolution Professional (IRP) and subsequently as per Section 22 (1) of the Code, the Resolution Professional (RP) to perform the functions as laid down in the Code. Since then the RP is managing the Company's business and assets on going concern basis.
- 2 Pursuant to provisions of the code, the Committee of Creditors of MFL had approved the resolution plan submitted by Deccan Value Investors L.P (DVI) through e-voting process on August 24, 2018. The resolution plan, as approved by the Committee of Creditors of MFL, had also been subsequently submitted to Hon'ble National Company Law Tribunal (NCLT) "Mumbai Bench" for consideration and approval as per the provisions of the Code. However, DVI withdrew their application while the same was pending for approval from the Hon'ble NCLT. The matter was litigated in NCLT and NCLAT and in Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India vide its order dated March 19, 2024, overturned the orders of NCLT and NCLAT allowing DVI to withdraw the resolution plan and approved the resolution plan provided by DVI. The matter has been directed to NCLT for further hearing. In the meanwhile, the Company is presently undergoing CIRP and the Resolution Process is underway in line with the provisions of IBC. Accordingly Un-audited financial results for the Quarter ended June 30, 2023, have been prepared on a going concern basis.
- 3 As the powers of the Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. However, the same have been signed by Resolution Professional of the Company confirming accuracy & completeness of the results on **15th April, 2024**. The same have also been subjected to Limited Review by the Statutory Auditor.
- 4 The register indicating the relevant record of fixed assets in terms of its nature, classification, location, quantity, value, date of capitalisation, etc is not available with the company and same has also been highlighted by the statutory auditors in their report. Accordingly, the depreciation on assets for current year have been calculated based on erstwhile amounts following the Straight line method of depreciation accounting.
- 5 Considering the current operating levels of the Company, and the ongoing CIRP it is not possible to determine:
 - a. Impairment, if any, in the economic value of the Property, Plant & Equipment, CWIP and Tools and Dies;
 - b. Diminution, if any, in the value of investments.
- 6 As per the Code the RP has to receive, collate and reconcile all the claims submitted by the creditors of the company. Such claims can be admitted to the RP during the CIRP, till the approval of a resolution plan by the CoC. The RP has verified and admitted the claims submitted by the creditors against the company as per the Code. Pending finalisation of resolution plan, the impact of such claims if any that may also has not been considered in the preparation of the financial statements. Further, interest on the financial debt from the date of commencement of CIRP (i.e. from 15th December 2017 till 30th June 2023) has not been provided in the books of accounts and charged to the Profit and Loss account.
- 7 The Non-current Asset VAT Receivable Rs. 707.73 Lacs, the Company applied with request for Rectification. The assessing authority has processed the rectification and the final order indicating the amount of refund in this regard is awaited. For the amount in dispute, the company is in the process of filing an appeal for re-assessment
- 8 Trade receivables, Loans & Advances and other recoverable at June 30, 2023, which also includes balances from the group entities, are subject to confirmation/reconciliation and recoverability assessment thereof is under process. In furtherance, we have sent Letter and notices to long due customers for recoveries of their outstanding balances. We are yet to receive any response from them and further we are initiating legal action against such long due customers.
- 9 The company is in the business of manufacturing steel forging products and hence has only one reportable operating segment as per IND AS 108 "operating segments".
- 10 Considering the ongoing Corporate Insolvency Resolution Process, the uncertainty as to the realisation of unused tax losses and MAT credit available cannot be ascertained at this stage. Consequently, adjustment to Deffered Tax (Net) and MAT Credit available have not been given effect to.
- 11 Unclaimed dividend in the books pertains to financial years 2012-13 to 2013-14. On expiry of the stipulated period, the same will be transferred to Investors Education and Protection Fund (IEPF) established by Govt of India.
- 12 Previous period figures have been regrouped/rearranged wherever considered necessary to make them comparable with current period.

Date : 15.04.2024

Place : Pune




Jayaram Shetty
Chief Financial Officer

For METALYST FORGINGS LIMITED


Dinkar T. Venkatasubramanian
Resolution Professional