

METALYST FØRGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :
Gat No.614, Village Kuruli Khed, Pune, Maharashtra - 410501
Tel.: +91-8087090023
CIN No. is L28910MH1977PLC019569

Ref.No.:MFL/BSE/NSE/2020-21

Date: 06th January 2021

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 ended June 30th 2020.

Dear Sir/Ma'am,

Pursuant to the provision of Regulation 30 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 ended June 30th, 2020 shall considered and disseminated today i.e. on 06th January 2021. Consequent to same, we enclosed, interim of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following:

1. The Standalone Unaudited Financial Results of the Company for the Quarter ended 30th June, 2020.
2. Limited Review Report on the aforesaid Unaudited Financial Results of the Company for the Quarter ended 30th June, 2020.

The meeting for approval of Unaudited Standalone Financial Results was commenced at 02:00 P.M. and concluded at 05:40 P.M.

Kindly note that the above referred shall be available at the website of the company i.e., <http://www.amtek.com/mfl.php>

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)**


(Piyush Kumar)
Company Secretary
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)



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INDEPENDENT AUDITOR'S REVIEW REPORT

To

**The Resolution Professional of
METALYST FORGINGS LIMITED**

We have reviewed the accompanying statement of standalone unaudited financial results of M/s **METALYST FORGINGS LIMITED** ('the company), for the quarter ended 30th June, 2020 being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

A corporate insolvency resolution process ("CIRP") has been initiated against the company vide an order of Mumbai bench of the National Company Law Tribunal (NCLT) dated December 15, 2017 under the provisions of the insolvency and bankruptcy code 2016 (Code). Pursuant to the order, the power of the Board of directors stands suspended and are exercisable by Mr. Dinker T. Venkatasubramanian, who was appointed as interim resolution professional (IRP) by the 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 NCLT for extension of CIRP period by 90 days (i.e. from 180 days to 270 days) as per the Code.

"As per provisions of the IBC, the Committee of Creditors (CoC) 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 "Mumbai Bench" for consideration and approval as per the Code. Although DVI withdrew their application while the same was pending for approval from the Hon'ble NCLT. In relation to this, Adjudicating Authority vide its Order dated September 27, 2019 has granted additional time for the closure of resolution process. The said Order was challenged by the COC and an appeal was filed in the Hon'ble NCLAT. However, the Appellate Tribunal has dismissed the appeal vide its order dated February 07, 2020 and the matter is currently sub judice in Hon'ble Supreme Court of India. In the meanwhile, the Company is presently undergoing CIRP and the Resolution Process





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is underway in line with the provisions of IBC. Accordingly, unaudited financial results for the Quarter ended June 30, 2020 have been prepared on a going concern basis."

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 Mr. Arun Maiti Chief Financial officer and Mr. Dinkar T. Venkatasubramanian (Resolution professional) of the Company, confirming, accuracy & completeness of the results and taken on record.

This Statement, which is the responsibility of the company's management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, Interim Financial Reporting (IND AS 34) prescribed under section 133 of the Companies Act, 2013 ("the Act"), SEBI Circular CIR/CFD/F AC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular') and other accounting principles generally accepted in India Our responsibility is to express a conclusion on the Statements 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for 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 the Standards on Auditing specified under Section 143(10) of the Act, 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. Accordingly, we do not express an audit opinion.

Basis of qualified conclusion

We draw attention to the following:

1. As per "Indian Accounting Standard 36" which talks about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired and as per "Indian Accounting Standard 109" on financial instruments which also contains provisions of impairment of financials assets through expected credit loss method basis these provisions we were required to seek for any impairment obligations from management but since the corporate debtors is still under the process CIRP and resolution professional and committee of creditors are in the process of finalization successful resolution applicant and the management has not determined value in use





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thus impairment of Fixed Assets including Capital Work In Progress(Rs.2,08,014.43 Lacs), Old Trade Receivables which have been standing in the books of account before initiation of CIRP process, accordingly we are unable to ascertain the effect of the same on the Financial statements.

2. As per "Indian Accounting Standard 109" company was required to get the Investment (Rs.34706.70 Lacs) at fair value but the same has not been done by the company, accordingly we are unable to ascertain the effect of the same on the Financial Statements.
3. As the company has no register indicating the relevant record of fixed assets in the terms of its nature, classification, location ,quantity, value , date of capitalization etc accordingly, the amount of current depreciation and accumulated depreciation is not appropriated and impact of the same can not be ascertained.
4. Stock Audit report for the quarter ended 30th June, 2020 has not been provided to us by the management. So, we are unable to comment upon the same..

Qualified Conclusion:

In our opinion and to best of our information and according to the explanations given to us, the statement:

- a. Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016: and
- b. Gives a true and fair view except for the matters described in Basis of qualified conclusion as given herein above, in conformity with the aforesaid Indian Accounting Standards and other principles generally accepted in India of the total comprehensive income and other information of the company for the quarter ended June 30, 2020.

Emphasis of Matter

We draw attention to the following matters:





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- a. Note No. 1 regarding Corporate Insolvency Resolution Process (CIRP) initiated under Insolvency and Bankruptcy Code, 2016 ('the Code') and the outcome of the CIRP is subject to decision of APEX Court / NCLT.
- b. The Company has been continuously making losses, consequently its net worth is negative and the Company's total liabilities exceeded its total assets. This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, in view of the CIRP in respect of the Company, which is in progress, the accounts have been prepared on a going concern basis [Refer Note 2 to financial results];
- c. Considering the ongoing corporate insolvency resolution process (as mentioned in Note No 1 & 2) the certainty as to the realization of unused Tax Losses and MAT credit available cannot be ascertained at this stage. Consequently, adjustment to deferred tax (net) and MAT credit available have not been given effect to. (Refer Note 11 to financial results)
- d. 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 finalization of resolution plan, the impact of such claims if any that also have 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, 2020) has not been provided in the books of accounts and charged to the Profit and Loss account.
- e. In respect of unclaimed dividend outstanding in the books which will be transferred to Investor's Education and Protection Fund on the stipulated date. [Refer Note 12 to financial results.
- f. As certified by the plant head, technical team, COO (Chief Operating Officer) as well as CFO of the company, the tools and dies have the perpetual life and hence not required for any provision for impairment.
- g. As certified by the management, no impairment is required in Capital work in progress for Rs. 13,821.47 Lacs which includes uninstalled 12500 Ton Forging Press which was imported from SMS Group GmbH, Germany.
- h. Trade receivables & other receivables/payables are subject to confirmation/reconciliation.





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- i. We draw attention to Note 4 of the statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our conclusion on the Statement is not modified in respect of this matter.

For Raj Gupta & Co.
Chartered Accountants

FRN: 000203N



(Abhishek Gupta)
(Partner)

M.No.530433

UDIN-21530433AAAAAE3009

Place: New Delhi
Date: 06.01.2021



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Statement of Unaudited Financial Results for the quarter ended 30th June, 2020

Rupees In Lakhs

S.No.	Particulars	Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited	Unaudited	Audited
1	Revenue				
	Revenue from operations	1,091	3,732	7,324	18,828
	Other Income	11	27	32	95
		1,102	3,759	7,356	18,923
2	Expenses				
	Cost of Material consumed	556	2,185	4,564	11,431
	Changes in inventories of finished goods, work in progress and stock in trade	158	(230)	10	67
	Employee Benefits Expense	485	621	821	2,955
	Finance Costs	38	99	36	207
	Depreciation & Amortization Expense	6,316	6,316	6,339	25,381
	Other Expenses	521	1,460	1,946	5,936
	Total Expenses	8,074	10,450	13,716	45,977
3	Profit/(Loss) before exceptional items and tax (1-2)	(6,972)	(6,691)	(6,360)	(27,054)
4	Exceptional Items [(income)/Expenses]	2,396	2,483	806	3,290
5	Profit/(Loss) before tax (3-4)	(9,368)	(9,174)	(7,166)	(30,343)
6	Tax expense:				
	(i) Deferred tax	-	-	-	-
	(ii) MAT reversal	-	-	-	-
	Total Tax Expenses	-	-	-	-
7	Profit/(Loss) for the period from continuing operations (5-6)	(9,368)	(9,174)	(7,166)	(30,343)
	Other Comprehensive Income				
	A (i) items that will not be reclassified to profit or loss	-	168	-	168
	(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)]	-	168	-	168
9	Total Comprehensive Income/(Loss) for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (7+8)	(9,368)	(9,006)	(7,166)	(30,175)
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				(1,33,351)
12	Earnings per equity share (for continuing operation) (not annualised)				
	(1) Basic	(21.51)	(21.07)	(16.45)	(69.67)
	(2) Diluted	(21.51)	(21.07)	(16.45)	(69.67)
13	Earning per equity share (for continuing & discontinued operation) (not annualised)				
	(1) Basic	(21.51)	(21.07)	(16.45)	(69.67)
	(2) Diluted	(21.51)	(21.07)	(16.45)	(69.67)

Notes to financial results:

- 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.

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- 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 is currently sub judice in Hon'ble Supreme Court of India.
In the meanwhile the Company is presently undergoing CIRP and the Resolution Process is underway in line with the provisions of IBC. Accordingly unaudited financial results for the quarter ended June 30, 2020 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 **06th January, 2021**. The same have also been subjected to Limited Review by the Statutory Auditor.
- 4 The COVID-19 pandemic outbreak across the nation and worldwide and Consequential nationwide lock down imposed since March 24, 2020, has caused a significant decline and volatility in the global as well as Indian Financial markets and slowdown in the economic activities. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees! The Company is sensitive about the impact of the Pandemic on its business operations, which will be realized only in the future financial results of the Company.
- 5 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.
- 6 Major investments of the company are in Castex Technologies Limited of INR 34,347.75 lakhs which is a financially stressed company and is under Corporate Insolvency Resolution process (CIRP) from 20.12.2017. However, impairment on the values of same is not ascertained as on date
- 7 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.
- 8 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 2020) has not been provided in the books of accounts and charged to the Profit and Loss account.
- 9 Trade receivables, Loans & Advances and other recoverable at March 31, 2020, 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.
- 10 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".
- 11 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 Deferred Tax (Net) and MAT Credit available have not been given effect to.
- 12 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.
- 13 Previous period figures have been regrouped/rearranged wherever considered necessary to make them comparable with current period.

For METALYST FORGINGS LIMITED

Date : 06.01.2021

Place : New Delhi



Arun Maiti
Chief Financial Officer



Dinkar T. Venkatasubramanian
Resolution Professional

