

METALYST FØRGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No. 614, Village Kuruli Khed, Pune, Maharashtra - 410501

Tel.: +91-2135-252148, Fax: +91-2135-252105

CIN No. : L28910MH1977PLC019569

Ref No. : MFL/BSE/NSE/2019-20

Date: 14th February, 2020

To,

The Manager Listing Department The BSE Limited, Floor 25, P.J. Towers Dalal Street, Mumbai 400 001 BSE SECURITY CODE: 513335	The Secretary, The National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Plot No. C/1, G-Block, Bandra – Kurla Complex, Bandra (E), Mumbai-400051 NSE TRADING SYMBOL: METALFORGE
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Subject: Un-Audited Financial Results for the Quarter and Nine months ended December 31, 2019 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 Un-Audited Standalone Financial Result of the Company for the Quarter and Nine Month ended December 31, 2019 shall considered and disseminated on **Friday, February 14, 2020**. Consequent to same, we enclosed, interim of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following:

1. The Standalone Un-Audited Financial Results of the Company for the Quarter and Nine months ended December 31st, 2019.
2. Limited Review Report on the aforesaid Un-Audited Financial Results of the Company for the Quarter and Nine months ended December 31st, 2019.

The Meeting for approval of Un-Audited Standalone Un-audited Financial Results was commenced at 06:45 PM and concluded at 10:00 PM.

In terms of applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2017, the results are also being published in the newspaper.

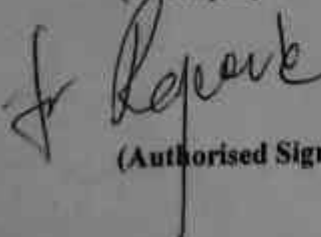
You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For Metalyst Forgings Limited

(A company under Corporate Insolvency Resolution Process)


(Authorised Signatory)



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Statement of Unaudited Financial Results for the quarter and Nine Months ended 31st December, 2019

Rupees in Lakhs

S.No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue						
	Revenue from operations	3,790	3,982	8,939	15,096	31,794	38,004
	Other Income	18	18	10	68	45	54
	Total Revenue	3,808	4,000	8,949	15,164	31,839	38,058
2	Expenses						
	Cost of Material consumed	2,335	2,547	5,606	9,246	18,793	22,738
	Changes in inventories of finished goods, work in progress and stock in trade			(228)	297	925	711
	Employer Benefits Expense	211	76	823	2,334	2,489	3,216
	Finance Costs	731	782	34	109	2,592	2,688
	Depreciation & Amortization Expense	37	39	6,420	19,065	19,260	25,531
	Other Expenses	6,365	1,289	2,676	4,476	8,288	10,159
	Total Expenses	10,919	10,692	15,331	35,527	52,348	65,143
3	Profit/(Loss) before exceptional items and tax (1-2)	(7,111)	(6,692)	(6,382)	(20,363)	(20,509)	(27,075)
4	Exceptional items [(Income) /Expenses]	-	-	-	806	-	-
5	Profit/(Loss) before tax (3+4)	(7,111)	(6,692)	(6,382)	(21,169)	(20,509)	(27,075)
6	Tax expense:						
	(i) Deferred tax	-	-	-	-	2,162	2,162
	(ii) MAT reversal	-	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	2,162	2,162
7	Profit/(Loss) for the period from continuing operations (5-6)	(7,111)	(6,692)	(6,382)	(21,169)	(22,671)	(29,237)
	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	12
	(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)]	-	-	-	-	-	12
9	Total Comprehensive Income/(Loss) for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (7+8)	(7,111)	(6,692)	(6,382)	(21,169)	(22,671)	(29,225)
10	Paid-up equity share capital (Face Value of Rs.10 each)	4,355	4,355	4,355	4,355	4,355	4,355
11	Reserves excluding Revaluation Reserves as per balance sheet						(1,03,176)
12	Earnings per equity share (for continuing operation) (not annualized)						
	(1) Basic	(16.33)	(15.83)	(14.65)	(48.61)	(52.06)	(50.58)
	(2) Diluted	(16.33)	(15.83)	(14.65)	(48.61)	(52.06)	(50.58)
13	Earning per equity share (for continuing & discontinued operation) (not annualized)						
	(1) Basic	(16.33)	(15.83)	(14.65)	(48.61)	(52.06)	(50.58)
	(2) Diluted	(16.33)	(15.83)	(14.65)	(48.61)	(52.06)	(50.58)

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. Gintar 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 of going concern basis.

(Signature)

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- 2 "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 Court. 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 directed the CoC to file a Resolution Plan which has been considered by them, with NCLT Mumbai. 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 December 31, 2019 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 Whole Time Director of the Company confirming accuracy & completeness of the results on 14th February, 2020. The same have also been subjected to Limited Review by the Statutory Auditor.
- 4 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 fixed assets, capital work in progress and tools & dies;
 - b. Diminution, if any, in the value of Investments.
- 5 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 31st December, 2019) has not been provided in the books of accounts and charged to the Profit and Loss account.
- 6 Trade receivables, Loans & Advances and other recoverable at December 31, 2019, which also includes balances from the group entities, are subject to confirmation/reconciliation and recoverability assessment thereof is under process.
- 7 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".
- 8 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.
- 9 Previous period figures have been regrouped/rearranged wherever considered necessary to make them comparable with current period.

Date : 14.02.2020

Place : New Delhi

For METALYST FORGINGS LIMITED



Arun Malti
Chief Financial Officer



Shekhar Gupta
Whole Time Director



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INDEPENDENT AUDITOR'S REVIEW REPORT

To

**The Resolution Professional of
METALYST FORGINGS LIMITED**

We, the Statutory Auditors, of the Company have reviewed the accompanying statement of Standalone unaudited financial results of **M/s METALYST FORGINGS LIMITED** for the quarter ended **31th December, 2019**, and the year to date result for the period **01 April 2019 to 31December 2019**, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including relevant circulars issued by 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 Court. 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 directed the COC to file Resolution Plan which has been considered by them with NCLT Mumbai.





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Chartered Accountants

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Meanwhile the Company continuous to remain under CIRP and COC in consideration of submitting necessary application .Accordingly unaudited financial results for the quarter ended December 31, 2019 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. Shikhar Gupta, whole time director of the Company, confirming, accuracy & completeness of the results and taken on record & not signed by Mr. Dinker T. Venkatasubramanian (Resolution professional).

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.





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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 thus impairment of Fixed Assets including Capital Work In Progress(Rs.220619.49 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. Considering the current operating levels of the company, and the ongoing corporate insolvency resolution process company has not made any impairment in the value of tools and dies amounts to Rs.8257.35 Lakhs. Moreover, company is showing such tool and dies as inventory. Accordingly, we are unable to comment upon the effect of the same on the Financial Statements.

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





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- 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 December31, 2019.

Emphasis of Matter

We draw attention to the following matters:

- 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 I 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 8 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.
- e. Further, interest on the financial debt from the date of commencement of CIRP (i.e. from 15th December 2017 till 31st December, 2019) has not been provided in the books of accounts and charged to the Profit and Loss account.





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- f. We have relied upon the report of another auditor for the inventory taken in the books of account and we have not physically verified the same.
- g. Trade receivables & other receivables/payables are subject to confirmation/reconciliation.

For Raj Gupta & Co.
Chartered Accountants



(Abhishek Gupta)
Partner

M.No.530433

UDIN:20530433AAAAAG3123

Place: New Delhi

Date: 14.02.2020