



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/2023-24

Date: 04/12/2023

To,

The Secretary BSE Limited Phiroze Jeejeebhoy, Towers Limited Dalal Street, Mumbai - 400001	The Secretary National Stock Exchange Limited Exchange Plaza Bandra Kurla Complex Bandra (E) Mumbai - 400 051
Scrip Code: 513335	Symbol: METALFORGE

Subject - Disclosure of the Statement of impact of audit qualifications for the financial year ended on 31st March, 2023

Pursuant to the SEBI Notification No SEBI/ LAD-NRO/GN2016-17/001 Dated May 26th, 2016 and Circular No CIR/CFD/CMD/56/2016 Dated May 27, 2016 issued by the Securities & Exchange Board of India (SEBI) on Disclosure of the Impact of Audit qualifications by the Listed Entities prescribed in Schedule VII read with Regulation 33 and Regulation 52 of SEBI (LODR), (Amendment), Regulations, 2016.

Further inform you that enclosing here with statement on impact of Audit Qualifications for the financial result of the company for the year ended on March 31st, 2023.

You are requested to take it on record.

**Thanking You,
Yours Faithfully,**

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

Divya Srivastava
Digitally signed by
Divya Srivastava
Date: 2023.12.04
13:25:59 +05'30'

**(Divya Srivastava)
Company Secretary & Compliance Officer
Issued with the approval of Mr. Dinkar Tiruvannadapuram 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 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)

METALYST FORGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No.614, Village – Kuruli, Tal – Khed, Dist – Pune, Maharashtra, PIN 410501

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

CIN No. is L28910MH1977PLC019569

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures In Lakhs (as reported before adjusting for qualifications)	Adjusted Figures In Lakhs (audited figures after adjusting for qualifications)
1.	Turnover / Total income	26,203.15	26,203.15
2.	Total Expenditure	57,590.94	57,590.94
3.	Net Profit/(Loss)	-31,338.68	-31,338.68
4.	Earnings Per Share	-72.07	-72.07
5.	Total Assets	1,82,099.56	1,82,099.56
6.	Total Liabilities	434,626.04	434,626.04
7.	Net Worth	-2,52,526.49	-2,52,526.49
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

Audit Qualification (each audit qualification separately):

II

Audit Qualification 1:

a. Details of Audit Qualification:

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 should assess recoverability of following assets:

Particulars	Classified under	Amount (In Lakhs)
Balance with revenue authorities	Other non-current Assets	856.72
TDS receivable [^]	Other non-current Assets	105.12
Advance to suppliers*	Other Current assets	989.49
Balance with revenue authorities	Other Current assets	11.49

**Out of total balance of Rs 989.49 lakhs, 398.61 lakhs is overdue for more than a year. In absence of relevant ageing reports, exact overdue period cannot be calculated.*

^Out of total balance of Rs 105.12 lakhs, 49.92 lakhs are adjusted against old demands. No appeal has been made with respect to such adjustments. In absence of any appeal, company should impair such assets.

Such assets are not realised for substantial period. Due to non-availability of ageing reports for following assets, it was not possible to determine since when the said balances were due to be realised. There is an indication that such asset might be impaired. Management has not determined fair value/ recoverable value of such assets. Accordingly, we are unable to ascertain the possible effects of the same on the statements.

METALYST FØRGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No.614, Village – Kuruli, Tal – Khed, Dist – Pune, Maharashtra, PIN 410501

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

CIN No. is L28910MH1977PLC019569

	b.Type of Audit Qualification: Qualified Opinion
	c.Frequency of qualification: Repetitive as the Company is under Corporate Insolvency Resolution Process (CIRP)
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A.
	e.For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Unable to Estimate
	(ii) If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
	(ii) Auditors' Comments on (i) or (ii) above: Audit report is self explanatory
	Audit Qualification 2:
	a.Details of Audit Qualification: As per "IND AS 109 Financial Instruments" the Company should recognize a loss allowance for expected credit losses on all financial assets of the company. Since the Company is still under the CIRP process and RP and COC are in the process of finalization of successful resolution, the Company and the management has not determined value of these assets in use. Accordingly, we are unable to ascertain the possible effect of the same on the Statements.
	b.Type of Audit Qualification : Qualified Opinion
	c.Frequency of qualification: Repetitive as the Company is under Corporate Insolvency Resolution Process (CIRP)
	d.For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is Not Quantifiable
	e.For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Unable to Estimate
	(ii) If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
	Auditors' Comments on (i) or (ii) above: Audit report is self explanatory
	Audit Qualification 3:
	a. Details of Audit Qualification: As required under "IND AS 36- Impairment of Assets", the company has not done impairment testing on Property, plant and equipment having net block value of Rs 1,25,519.52 lakhs and Capital Work in Progress having closing value of Rs 14,057.98 Lakhs. 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 financial statements.
	b.Type of Audit Qualification: Qualified Opinion

METALYST FØRGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No.614, Village – Kuruli, Tal – Khed, Dist – Pune, Maharashtra, PIN 410501

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

CIN No. is L28910MH1977PLC019569

	c. Frequency of qualification: Repetitive as the Company is under Corporate Insolvency Resolution Process (CIRP)
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is Not Quantifiable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	i) Management's estimation on the impact of audit qualification: Unable to Estimate
	ii) If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
	iii) Auditors' Comments on (i) or (ii) above: Audit report is self explanatory.
	Audit Qualification 4:
	a. Details of Audit Qualification: The Company has not maintained Fixed Asset register. Accordingly, we cannot comment on accuracy of the value of PPE, current and accumulated depreciation and its possible impact on the Standalone Financial Statements.
	b. Type of Audit Qualification: Disclaimer of Opinion
	c. Frequency of qualification: Repetitive as the Company is under Corporate Insolvency Resolution Process (CIRP) from
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is Not Quantifiable
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	i) Management's estimation on the impact of audit qualification: Unable to Estimate
	ii) If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
	iii) Auditors' Comments on (i) or (ii) above: Management should prepare fixed asset register as per prescribed format as per Companies Act, 2013
	Audit Qualification 5:
	a. Details of Audit Qualification: Company has shown "Refund receivable under MVAT Act" under non-current assets to an extent of Rs 707.73 lakhs for FY 2014-15, FY 2015-16 and FY 2016-17. 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. As represented by management the company is in the process of filing an appeal for reassessment. However, the company has not reduced the balance in books of accounts. Thus, the loss for the period is overstated to the extent of Rs 407.26 lakhs
	b. Type of Audit Qualification: Qualified Opinion

E-mail : info@metalyist.co.in Web: www.metalyist.co.in

METALYST FORGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No.614, Village – Kuruli, Tal – Khed, Dist – Pune, Maharashtra, PIN 410501

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

CIN No. is L28910MH1977PLC019569

	c. Frequency of qualification: appeared first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	i) Management's estimation on the impact of audit qualification:
	ii) If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
	iii) Auditors' Comments on (i) or (ii) above: Audit report is self explanatory.
	Audit Qualification 6:
	(a) Details of Audit Qualification: Certain current accounts having aggregate balance of Rs. 46.89 Lakhs are not confirmed due to non-availability of confirmation as well as relevant bank statements from respective Banks. In the absence of these details, we are unable to ascertain the possible impact on financial statements.
	a.
	b. Type of Audit Qualification: Disclaimer of Opinion
	c. Frequency of qualification: Repetitive as the Company is under Corporate Insolvency Resolution Process (CIRP)
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	i) Management's estimation on the impact of audit qualification: Unable to Estimate
	ii) If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
	iii) Auditors' Comments on (i) or (ii) above: Management should approach banks to get the required details.

METALYST FORGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No.614, Village – Kuruli, Tal – Khed, Dist – Pune, Maharashtra, PIN 410501

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

CIN No. is L28910MH1977PLC019569

Audit Qualification 7:	
a. Details of Audit Qualification:	Balance of Trade receivables, loans and advances 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 to receive, collate and reconcile all the claims submitted by the creditors of the company. The RP has verified and admitted the claims submitted by the creditors as per the code. Pending finalisation of resolution plan, the impact of such claims if any, have also not been considered in the preparation of the financial statements.
b. Type of Audit Qualification:	Disclaimer of Opinion
c. Frequency of qualification:	Repetitive as the Company is under Corporate Insolvency Resolution Process (CIRP)
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Impact is Not Quantifiable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
i) Management's estimation on the impact of audit qualification:	Unable to Estimate
ii) If management is unable to estimate the impact, reasons for the same:	The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
iii) Auditors' Comments on (i) or (ii) above:	Audit report is self explanatory.
Audit Qualification 8:	
a. Details of Audit Qualification:	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.
b. Type of Audit Qualification:	Qualified Opinion
c. Frequency of qualification:	First time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Impact is Not Quantifiable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
i) Management's estimation on the impact of audit qualification:	Unable to Estimate
ii) If management is unable to estimate the impact, reasons for the same:	The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
iii) Auditors' Comments on (i) or (ii) above:	Audit report is self explanatory.

METALYST FØRGINGS LIMITED

(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No.614, Village – Kuruli, Tal – Khed, Dist – Pune, Maharashtra, PIN 410501

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

CIN No. is L28910MH1977PLC019569

Audit Qualification 9:
a.Details of Audit Qualification: The company has no documented Risk assessment and control matrix which enlists processes, sub-processes, risk faced by them, and controls implemented to mitigate such risks. During the CIRP period, the power of board has been suspended and the RP is managing all the affairs of the Company. However, the revised control matrix for all the processes has not been shared with us for our verification. The company has thus not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the guidance note issued by the Institute of Chartered Accountants of India. We were unable to obtain sufficient appropriate audit evidence on which to base our opinion on the effectiveness of the company's internal financial controls with reference to financial statements.
b.Type of Audit Qualification: Disclaimer of Opinion
c.Frequency of qualification: Whether appeared repetitive as the Company is under Corporate Insolvency Resolution Process (CIRP)
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is Not Quantifiable
e.For Audit Qualification(s) where the impact is not quantified by the auditor:
i) Management's estimation on the impact of audit qualification: Unable to Estimate
ii)If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the impact.
iii)Auditors' Comments on (i) or (ii) above:
Audit report is self explanatory.
Audit Qualification 10:
a.Details of Audit Qualification: The company has accumulated losses of Rs. 256881.46 Lakhs and its net worth is fully eroded. It has incurred net loss during the year ended March 31, 2023, amounting to Rs. 31,338.65 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) had been admitted by Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench. The company has been in the CIRP process under the code since December 15, 2017, and till date no resolution has been arrived at. All these indicate material uncertainty about the Company's ability to continue as a Going Concern. However, the financial statements are prepared on a going concern basis.
b.Type of Audit Qualification: Qualified Opinion
c.Frequency of qualification: First Time
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is Not Quantifiable

METALYST FØRGINGS LIMITED

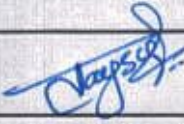


(formerly known as Ahmednagar Forgings Limited)

Registered Office :

Gat No.614, Village – Kuruli, Tal – Khed, Dist – Pune, Maharashtra, PIN 410501

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

CIN No. is L28910MH1977PLC019569

e.For Audit Qualification(s) where the impact is not quantified by the auditor:	
i) Management's estimation on the impact of audit qualification: Unable to Estimate	
ii) If management is unable to estimate the impact, reasons for the same: The company has been under Corporate Insolvency Resolution Process (CIRP) since December 15, 2017 under the provisions of the Insolvency & Bankruptcy Code 2016 (Code). Since the company is still under the process of CIRP and Resolution Professional & Committee of Creditors are in the process of finalization of successful resolution applicant, it is not possible to determine the Impact.	
iii) Auditors' Comments on (i) or (ii) above: Audit report is self explanatory.	
Signatories:	
• Chief Financial Officer (CFO)	
• Statutory Auditor	
• Resolution Professional (RP)	
Place: Pune	
Date: 28.10.2023	