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Independent Auditor's Review Report on Un-Audited Standalone Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional
METALYST FORGING LIMITED

1. We have reviewed the accompanying **Standalone Unaudited Financial Results** of **METALYST FORGING LIMITED** ("the Company") for the quarter and nine months ended December 31, 2017 being submitted by the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.

2. As the corporate insolvency resolution process has been initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ('the Code') by the National Company Law Tribunal vide its order dated December 15, 2017, the powers of the Board of Directors stand suspended as per Section 17 of the Code and such powers are being exercised by the Resolution Professional appointed by the National Company Law Tribunal by the said order under the provisions of the Code.

3. This Statement is the responsibility of the Company's Management, which has been signed by the Shekhar Gupta, Managing Director of the company.

4. The statement has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

5. We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



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6. **Attention is invited to following:**

a) 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 Corporate Insolvency Resolution Process in respect of the Company, which is in progress, the accounts have been prepared on a going concern basis [Refer Note 1 and 2 to financial results];

b) As mentioned in Note 3 to financial results, Considering the current operating levels of the Company, and the ongoing corporate insolvency resolution process 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;

c) In respect of various claims submitted by the financial, operational & other creditors of the Company to the RP pursuant to Insolvency and Bankruptcy Code, 2016, that are currently under consideration / verification/ reconciliation. Pending completion of exercise of verification / reconciliation and admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement [Refer Note 4 to financial results];

d) Trade receivables, loans & advances at December 31, 2017, which also includes balances from the group entities, are subject to confirmation/reconciliation[Refer Note 5 to financial results].

e) Potential adjustments, if any, to deferred tax (net) & MAT credit available. [Refer Note 7 to financial results].

f) All Statutory dues of the company are subject to confirmation.

g) Other expenses include written off balances of Advance Given To Suppliers amounting Rs 10.6 cr approx. They have been written off as expense since not recoverable in view of the management.

h) Consequently, all the points mentioned in 6(a) to 6(g) will be addressed in the financial statements once the CIRP is complete and the resolution plan, if any, proposed by the resolution plan, is approved/ disapproved by the Committee of Creditors and the NCLT during the CIRP period.

Conclusion

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Based on our review conducted as above, no matter other than mentioned in Point No 6, has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

The review of unaudited financial results for the Quarter and Nine Month period ended 31st December 2016 included in the statement was carried out and reported by M/s Manoj Mohan & Associates vide their limited review reports dated 14th February 2017, whose limited review reports were furnished to us and which have been relied upon by us for the purpose of our review of the statement. Our review report was not modified in respect of this matter.

For Raj Gupta & Co.
Chartered Accountants
FRN: 000203N

CA RAJ GUPTA
(Partner)
Membership No. 017039

Place: New **Delhi**
Date: March 19 , 2018