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Independent Auditor's Review Report On Unaudited Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional
METALYST FORGINGS LIMITED,

1. We have reviewed the accompanying standalone unaudited financial results of **Metalyst Forgings Limited** ("the company") for the quarter ended 30 September, 2018 and the year to date results for the period 1 April 2018 to 30 September 2018, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. As the Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (Code) by the National Company Law Tribunal (NCLT) from December 15, 2017. The powers of the Board stands suspended as per Section 17 of the Code and such powers are being exercised by the Resolution Professional (RP) appointed by the NCLT by the said order under the provisions of the Code.

3. This Statement is responsibility of the company's management, which has been signed by Mr. Shekhar Gupta, Whole Time Director of the Company and taken on record by the Resolution Professional.

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 audit 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 about whether the financial statements are free of material misstatements. 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 opinion.

RAJ GUPTA & CO. CHARTERED ACCOUNTANTS FRN - 000203N

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6. **Attention is invited to the 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 CIRP 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 4 to financial results, Considering the current operating levels of the Company, and the ongoing CIRP it is not possible to determine:

i) Impairment, if any, in the economic value of the fixed assets, capital Work in Progress and Tools and Dies;
ii) 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 5 to financial results];

d. Trade receivables, loans & advances and other recoverable at September 30, 2018, which also includes balances from the group entities, are subject to confirmation/reconciliation and recoverability thereof is under process. [Refer Note 6 to financial results].

e. Considering the ongoing corporate insolvency resolution process (as mentioned in Note No 1 & 2) the certainty 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 affect to [Refer Note 9 to financial results].

f. Consequently, all the points mentioned in 6 (a) to (e) will be addressed in the financial statements once the CIRP is complete and the resolution plan proposed by the resolution applicant is approved by the NCLT.

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Conclusion

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.

For Raj Gupta & Co
Chartered Accountants,
(FRN – 000203N)

Gunjandeep singh
(Partner)
Membership No.529555

Place: Delhi
Date: 14h November, 2018

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