

McNally Bharat Engineering Company Limited

CIN: L45202WB1961PLC025181
Corporate Office: Ecospace Campus 2B 11F/12
New Town Rajarhat North 24 Parganas Kolkata-700160
Telephone +91 33 68311001/+91 33 68311212
Email: mbe.corp@mbeccl.co.in Website: www.mcnallybharat.com
Registered Office: 4 Mangoe Lane Kolkata-700001

An ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified Company

13th November 2024

The National Stock Exchange of India Limited

Exchange Plaza, 5th floor
Plot # C/1, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

BSE Limited

Corporate Relations Department
1st Floor, New Trading Ring, Rotunda Building
Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai – 400 001

Dear Sir,

Sub: Outcome of Meeting for consideration of Unaudited Financial Results for the Second Quarter and Half-year ended 30th September 2024 (“the Results”)

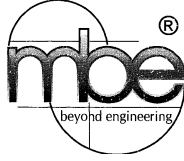
Scrip Code/Symbol: 532629/MBECL

We refer to our letter dated 5th November 2024 regarding an internal meeting of the Chairman of the Monitoring Committee (erstwhile Resolution Professional) and the Independent Director of the Company to be scheduled on 13th November 2024. The Chairman of the Monitoring Committee and the Independent Director having met today, they considered, approved and took on record the Unaudited Standalone and Consolidated Financial Results of the Company for the second quarter and half-year ended 30th September 2024 (the “Results”).

The Meeting commenced at 11.30 A.M. and concluded at about 04.15 PM.

Enclosed herewith:

- 1) the Results, duly signed by Mr. Ravi Sethia, Chairman of the Monitoring Committee (erstwhile Resolution Professional) and Mr. Asim Kumar Barman, (DIN 02373956), Independent Director and Chairman of Audit Committee, duly authorised in this regard; and
- 2) Limited Review Report by V. Singhi & Associates, Statutory Auditors, on the Results.



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Telephone +91 3344591111

Email: mbe.corp@mbecl.co.in Website: www.mcnallybharat.com

Registered Office: 4 Mangoe Lane Kolkata-700001

- 3) Certified true copy of Resolution dated 13th November 2024 authorizing the Mr. Asim Kumar Barman (DIN: 02373956), Independent Director, to sign the Results.

Kindly take the above in your records and host on your website.

Yours faithfully,

For **McNally Bharat Engineering Company Limited**

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Indrani Ray

Company Secretary

Encl: As above

Independent Auditor’s Report on Limited Review of the Unaudited Standalone Financial Results for the quarter and half year ended 30th September, 2024 of McNally Bharat Engineering Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report
The Monitoring Committee of
McNally Bharat Engineering Company Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **MCNALLY BHARAT ENGINEERING COMPANY LIMITED** (“the Company”) for the quarter and half year ended 30th September, 2024 (“the Statement”), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19th July, 2019 (“the Circular”).
2. This Statement, which is the responsibility of the Company's Management and approved by the Chairman of Monitoring Committee (taken on record), is prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (“Ind AS 34”) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



4. Basis for Adverse Conclusion

a) Current Assets, Current Liabilities and Capital Work – in – Progress

- i. We draw attention to **Note 10** to the statement regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets and Advance from Customer being subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- ii. Further, Claims Recoverable (BG Encashed) amounting to Rs. 36,183.70 Lakhs, including Rs. 13,690.09 Lakhs under arbitration whose fair value is Rs. 19,712.89 Lakhs are doubtful. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- iii. There is no material movement in Capital Work-in-Progress amounting to Rs.462.62 Lakhs, since 31st March, 2016. In absence of any audit evidence, we are unable to ascertain the impact/adjustments required and comment on the same.

b) Non-adjustment of the Carrying Value of the Loan

In earlier years, the Company had given unsecured loan to Vedica Sanjeevani Projects Private Limited(“VSPL”). VSPL vide their letter dated 15th February, 2022 informed the Company that it was unable to service the debt and requested the Company for a moratorium on the repayment of the loan, including interest for two years i.e., Financial Year 2021-22 and Financial Year 2022-23. Subsequently, the Company had stopped recognizing interest income on the same. In absence of any further communication between the Company and VSPL in the current half year, we are unable to comment on the realizability of loan and its interest and consequential adjustment to be made in the books.

This constitutes a material departure from the requirements of Indian Accounting Standard – 109 “Financial Instrument”.

c) Recognition of Deferred Tax Assets

Note 9 to the Statement that the Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018 which is being carry forwarded in books by the Company expecting adequate future taxable profits after infusion of fresh funds in the Company by the successful resolution applicant against which the deferred tax assets could be adjusted.

The Company has been continually incurring losses and its net worth has been fully eroded. We are unable to obtain sufficient appropriate evidence with respect to the management’s assertions and are therefore, unable to comment on the carrying value

of the aforesaid net deferred tax assets on 30th September, 2024.

This constitutes a material departure from the requirements of Indian Accounting Standard 12 “Income Taxes”.

5. Based on our review conducted and procedures performed as stated in Paragraph 3, we report that because of the significance of the matters stated in Paragraph 4, and their consequential impact on the unaudited standalone financial results for the period ending 30th September 2024, which are expected to be material, we have come to the conclusion that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India.

6. **Emphasis of Matters**

We draw attention to the following matters in the notes to the Statement:

a) Approval of Resolution Plan by the Committee of Creditors

Note 1 to 4 to the Statement informs that the Hon’ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP submitted the application before the Hon’ble NCLT on 3rd August 2023 for its final approval. On the 19th December 2023, Hon’ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon’ble NCLT, the Implementation and Monitoring Committee (“IMC”) is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation of approved Resolution Plan. However, the resolution plan submitted by BTL EPC Limited has not been implemented till date. Subsequently, the committee of creditors of the company filed an application with the Hon’ble NCLT to seek appropriate directions and recourse with respect to the approved resolution plan and the Corporate Insolvency Resolution Process(CIRP) of the Company. The matter is being heard by the Hon’ble NCLT and hearing has not been completed. The matter is currently Subjudice.

b) Material Uncertainty related to Going Concern

Note 4 to the Statement that the Company has incurred a net loss of Rs 44,057.53 lakhs (before comprehensive income) during the half year ended 30th September, 2024, and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and customers. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the successful implementation of the resolution plan as approved by the Hon’ble National Company Law Tribunal. However, we could not gather sufficient evidence with respect to the

management's assertion and in absence of required documents/evidence are unable to comment on the preparation of the Statement.

c) Non- Assessment of Pending Litigations

Note 5 to the statement that the Company has been receiving regulatory Enquiries/ Notices/ Summons/ Show-Cause/ Demand/ Orders from various Government authorities such as Goods and Services Tax and Income Tax. In view of Company's admission under CIRP all existing civil and legal proceedings will be kept in abeyance as moratorium is in force under section 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Statement as of now.

d) Recognition of Interest Expense

As referred in **Note 8** of the Statement, during the period, the Company has recognized the interest expense for the half year ended 30th September, 2024 on Bank Borrowings, Inter Corporate Deposits and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 41,130.73 Lakhs as estimated by the management.

Our conclusion is not modified in respect of these matters.

For V. SINGHI & ASSOCIATES
Chartered Accountants
Firm Registration No.:311017E

ANIRUDDHA
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(Aniruddha Sengupta)
Partner

Membership No. 051371

UDIN: 24051371BKFAHO7147

Place: Kolkata

Date: 13th November, 2024

| McNALLY BHARAT ENGINEERING COMPANY LIMITED CIN: L45202WB1961PLC025181 Regd. Office: 4 MANGO LANE, Kolkata 700 001 Web:www.mcnallybharat.com, Email id: mbecal@mbecl.co.in, Phone no: (033) 3014-1111 Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended 30th September, 2024 (Rs. in Lakhs, unless otherwise stated) | | | | | | | |
|--|---|----------------------|--------------------|----------------------|----------------------|----------------------|----------------------|
| SL.No | Particulars | Three months ended | | | Six Month Ended | | Year ended |
| | | 30th September, 2024 | 30th June, 2024 | 30th September, 2023 | 30th September, 2024 | 30th September, 2023 | 31st March, 2024 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Revenue from operations | | | | | | |
| | (a) Net sales/ Income from operations | 2,691.90 | 2,618.79 | 4,635.25 | 5,310.69 | 8,709.73 | 16,744.31 |
| | (b) Other operating income | - | - | 7.10 | - | 16.50 | 16.97 |
| | Total income from operations | 2,691.90 | 2,618.79 | 4,642.35 | 5,310.69 | 8,726.23 | 16,761.28 |
| 2 | Other income | 797.57 | 4,968.14 | 1,092.30 | 5,765.71 | 2,233.14 | 4,739.36 |
| 3 | Total income (1+2) | 3,489.47 | 7,586.93 | 5,734.65 | 11,076.40 | 10,959.37 | 21,500.64 |
| 4 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 327.16 | 202.85 | 2,345.86 | 530.01 | 4,427.96 | 7,552.03 |
| | (b) Outsourcing expenses to job workers | 1,853.16 | 1,551.96 | 2,015.46 | 3,405.12 | 3,285.28 | 7,521.21 |
| | (c) Employee benefits expense | 632.40 | 646.06 | 840.13 | 1,278.46 | 1,713.99 | 2,962.03 |
| | (d) Finance costs | 22,081.57 | 26,448.67 | 18,968.37 | 48,530.24 | 43,037.64 | 83,377.18 |
| | (e) Depreciation and amortization expense | 79.99 | 65.33 | 81.12 | 145.32 | 164.95 | 320.90 |
| | (f) Other expenses | 541.96 | 702.82 | 672.68 | 1,244.78 | 1,218.20 | 8,093.57 |
| | Total expenses | 25,516.24 | 29,617.69 | 24,923.62 | 55,133.93 | 53,848.02 | 1,09,826.92 |
| 5 | Profit/(Loss) before tax and Exceptional Item (3-4) | (22,026.77) | (22,030.76) | (19,188.97) | (44,057.53) | (42,888.65) | (88,326.28) |
| 6 | Profit Before Tax | (22,026.77) | (22,030.76) | (19,188.97) | (44,057.53) | (42,888.65) | (88,326.28) |
| 7 | Tax expenses | - | - | - | - | - | - |
| 8 | Profit/(Loss) for the period/year (6-7) | (22,026.77) | (22,030.76) | (19,188.97) | (44,057.53) | (42,888.65) | (88,326.28) |
| 9 | Other comprehensive income | | | | | | |
| | Items that will not be reclassified to profit or loss | | | | | | |
| | Remeasurements of post-employment benefit plans (net of taxes) | 19.36 | 19.35 | (18.15) | 38.71 | (15.89) | 77.41 |
| | Total other comprehensive income/(loss) (net of income tax) | 19.36 | 19.35 | (18.15) | 38.71 | (15.89) | 77.41 |
| 10 | Total comprehensive income/ (loss) for the period/year (8+9) | (22,007.41) | (22,011.41) | (19,207.12) | (44,018.82) | (42,904.54) | (88,248.87) |
| 11 | Paid up equity share capital (Face value of the share Rs.10 each) | 21,157.08 | 21,157.08 | 21,157.08 | 21,157.08 | 21,157.08 | 21,157.08 |
| 12 | Reserves excluding revaluation reserve | - | - | - | - | - | (4,41,961.27) |
| 13 | Earnings per share (of Rs. 10/- each) (not annualised): | | | | | | |
| | Basic | (10.41) | (10.41) | (9.07) | (20.82) | (20.27) | (41.75) |
| | Diluted | (10.41) | (10.41) | (9.07) | (20.82) | (20.27) | (41.75) |

Also refer accompanying notes to the financial results.

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Date: 13th November, 2024

Pradyuman Baidya
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Pradyuman Baidya
Chief Executive Officer

ASIM KUMAR BARMAN
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Asim Kumar Barman
Director (Suspended)
DIN 02373956

Ravi Sethia
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Ravi Sethia
(Taken on Record)
Chairman of the Monitoring Committee

McNally Bharat Engineering Company Limited
Unaudited Standalone Statement of Assets and Liabilities as at 30th September, 2024

(Rs. in Lakhs, unless otherwise stated)

| Particulars | | As at 30th September, 2024 | As at 31st March, 2024 |
|-------------|---|-------------------------------|---------------------------|
| | | Unaudited | Audited |
| A | ASSETS | | |
| 1 | Non-current assets | | |
| | Property, Plant and Equipment | 1,310.24 | 1,420.57 |
| | Right to use Assets | - | 32.49 |
| | Capital work-in-progress | 462.62 | 462.62 |
| | Other Intangible assets | 59.70 | 62.20 |
| | Financial Assets | | |
| | i. Investments | 154.22 | 136.09 |
| | ii. Other Financial Assets | 17.04 | 12.14 |
| | Deferred tax assets (net) | 51,706.60 | 51,706.60 |
| | Total Non-current Assets | 53,710.42 | 53,832.71 |
| 2 | Current assets | | |
| | Inventories | 24.33 | 37.12 |
| | Financial Assets | | |
| | i. Trade Receivables | 73,545.90 | 74,203.90 |
| | ii. Cash and cash equivalents | 2,159.26 | 1,706.98 |
| | iii. Bank balances other than (ii) above | 320.71 | 325.16 |
| | iv. Loans | 1,744.38 | 1,744.38 |
| | v. Other financial assets | 26,312.82 | 28,068.01 |
| | Current Tax Assets (net) | 37.29 | 212.68 |
| | Other current assets | 39,644.36 | 39,567.02 |
| | Total Current Assets | 1,43,789.05 | 1,45,865.25 |
| | Total Assets | 1,97,499.47 | 1,99,697.96 |
| B | EQUITY AND LIABILITIES | | |
| 1 | Equity | | |
| | Equity share capital | 21,157.08 | 21,157.08 |
| | Other equity | (4,85,980.10) | (4,41,961.27) |
| | Total Equity | (4,64,823.02) | (4,20,804.19) |
| | LIABILITIES | | |
| 2 | Non-current liabilities | | |
| | Provisions | 204.31 | 199.18 |
| | Total Non-current Liabilities | 204.31 | 199.18 |
| 3 | Current liabilities | | |
| | Financial Liabilities | | |
| | i. Borrowings | 3,10,768.28 | 3,10,773.49 |
| | ii. Lease Liabilities | - | 38.76 |
| | iii. Trade payables | | |
| | Total outstanding dues of micro enterprises and small enterprises | 187.12 | 187.12 |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 22,353.62 | 22,142.38 |
| | iv. Other financial liabilities | 3,23,954.63 | 2,82,529.93 |
| | Provisions | 87.72 | 87.72 |
| | Other current liabilities | 4,766.81 | 4,543.57 |
| | Total Current Liabilities | 6,62,118.18 | 6,20,302.97 |
| | Total Liabilities | 6,62,322.49 | 6,20,502.15 |
| | Total Equity and Liabilities | 1,97,499.47 | 1,99,697.96 |

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Pradyuman Baidya
Chief Executive Officer

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Asim Kumar Barman
Director (Suspended)
DIN 02373956

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Ravi Sethia
(Taken on Record)
Chairman of the Monitoring
Committee

McNally Bharat Engineering Company Limited
Unaudited Standalone Cash Flow Statement for the Half Year Ended 30th September, 2024

(All amounts are in Rs. Lakhs, unless otherwise stated)

| Particulars | Six Months Ended | |
|---|----------------------|----------------------|
| | 30th September, 2024 | 30th September, 2023 |
| | Unaudited | Unaudited |
| Cash flow from operating activities | | |
| Profit/(Loss) before income tax | (44,057.53) | (42,888.65) |
| Adjustments for: | | |
| Depreciation | 145.32 | 164.95 |
| Finance Costs | 48,530.24 | 43,037.64 |
| Interest Income | (5,673.43) | (2,104.20) |
| Liability no longer required written off | - | (1.33) |
| Provision for Slow moving Stock | - | 9.90 |
| Remeasurements of post-employment benefit plans OCI | - | (15.89) |
| Expected credit loss provided for/(written back) | (187.98) | 138.22 |
| Receivables written off | 0.00 | 9.99 |
| Provision for Future Foreseeable Losses in Construction Contracts | 198.22 | (219.93) |
| Unrealised (gain)/ loss on Foreign Currency Translation (Net) | 26.31 | (7.17) |
| Net (gain)/loss on financial assets measured at fair value through profit or loss | (18.14) | (14.26) |
| Change in operating Assets and Liabilities: | (1,036.99) | (1,890.73) |
| (Increase)/Decrease in trade receivables | 866.41 | 294.25 |
| (Increase)/Decrease in inventories | 12.78 | 25.25 |
| Increase/(Decrease) in trade payables | 167.39 | (1,215.72) |
| (Increase)/Decrease in other financial assets | 13.52 | 626.39 |
| (Increase)/ decrease in other current assets | (77.34) | 829.24 |
| Increase/(decrease) in provisions | 43.84 | 14.38 |
| Increase/ (decrease) in other financial liabilities | 95.75 | 266.20 |
| Increase/ (decrease) in other liabilities | 223.25 | 498.01 |
| Cash generated from operations | 308.61 | (552.73) |
| Income taxes (paid)/Refund (net) | 175.39 | 113.61 |
| Net cash inflow / (outflow) from operating activities | 484.00 | (439.12) |
| Cash flows from investing activities | | |
| Purchase of Property, Plant and Equipment | - | (0.80) |
| Purchase of Other Intangible assets | - | (10.50) |
| Deposits matured/(made) during the year | (0.46) | (0.37) |
| Interest received | 42.21 | 47.30 |
| Net cash inflow / (outflow) from investing activities | 41.75 | 35.63 |
| Cash flows from financing activities | | |
| Proceeds / (Repayment) of borrowings | (8.11) | 259.53 |
| Lease Repayment | (43.80) | (36.53) |
| Finance Cost | (21.57) | (7.27) |
| Net cash inflow / (outflow) from financing activities | (73.48) | 215.73 |
| Net increase / (decrease) in cash and cash equivalents | 452.27 | (187.76) |
| Cash and cash equivalents at the beginning of the financial year | 1,706.98 | 2,948.23 |
| Cash and cash equivalents at end of the year | 2,159.26 | 2,760.47 |

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Ravi
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Place: Kolkata
Date: 13th November, 2024

Pradyuman Baidya
Chief Executive Officer

Asim Kumar Barman
Director (Suspended)
DIN 02373956

Ravi Sethia
(Taken on Record)
Chairman of the Monitoring
Committee

McNally Bharat Engineering Company Limited

Notes to the statement of Unaudited Standalone Financial Results for the quarter and half year ended 30th September,2024

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being C.P (IB) No. 891/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, while disposing off, admitted the application vide order dated 29.04.2022 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional (IRP). Thereafter, Mr Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dt.26.08.22. Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest with the IRP/Resolution Professional (RP).

2. Committee of creditors (COC) was constituted on 18.05.2022 on the basis of collation of all claims by the IRP and the report is submitted to NCLT by IRP. The COC has been further reconstituted from time to time by the IRP/RP (last such reconstitution on 29.12.2022) and intimation filed with the Hon'ble NCLT, Kolkata Bench.

3. The Resolution Plan of one of the Resolution Applicants has received the approval of COC by the requisite majority, in terms of the Insolvency and Bankruptcy Code, 2016 and COC authorised the RP to issue the Letter of Intent in terms of the request for Resolution Plan and thereafter submit the application before the Hon'ble NCLT Court for final approval of the Resolution Plan. The application had been submitted before the Hon'ble NCLT Court on 3rd August, 2023.

4. The Hon'ble National Company Law Tribunal, Kolkata bench-Court-(NCLT) has approved the Resolution plan of one of the successful resolution applicants, namely M/s BTL EPC LTD vide its order dated 19.12.2023. However, the resolution plan submitted by BTL EPC Limited has not been implemented till date. Subsequently, the committee of creditors of the company filed an application with the Hon'ble NCLT to seek appropriate directions and recourse with respect to the approved resolution plan and the Corporate Insolvency Resolution Process (CIRP) of the Company. The matter is being heard by the Hon'ble NCLT and hearing has not been completed. The matter is currently Subjudice. Accordingly, the financial result of the company has been prepared on a going concern basis.

5. The above standalone financial results have been prepared in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI circular dated July 05, 2016.

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Ravi
Sethia Digitally signed
by Ravi Sethia
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KUMAR
BARMAN Digitally signed by ASIM KUMAR
BARMAN
DN: cn=Ravi, o=McNally
Engineering Company Limited,
ou=Kolkata Bench, email=Ravi.Sethia@mcnally.com,
c=IN

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(a) There shall be a moratorium under section 14 of the Insolvency and Bankruptcy Code,2016 till the approval of the Resolution plan which has been duly approved by the Hon'ble NCLT via order dated December 19, 2023. The Resolution plan is yet to be implemented.

(b) The company had received regulatory Enquiries/Notices/Summons/Show-Cause/Demand/Orders from various government authorities such as Goods and Services Tax, Income Tax. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14of the Insolvency and Bankruptcy Code,2016 is applicable on the till the effective date of the NCLT order. Therefore, no impact has been considered in these results as of now.

6. The above results have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. The Company is primarily engaged in the business of Construction and Engineering activities hence no Separate disclosure has been made for segment reporting as per IND AS 108-Operating Segments.

8. i) The Company has been categorised as Non-Performing Asset by the lender banks and the majority of the Lender Banks stopped debiting interest on their outstanding debts. After the company was admitted in NCLT, the Lender Banks submitted their claims to the IRP/RP amounting to Rs 3,62,003.83 lakhs (including interest) out of which claims amounting to Rs. 3,61,778.21 lakhs have been admitted. The company has provisionally accounted for interest from the date of categorisation as Non- Performing Asset by lender banks till 30.09.2024 amounting to Rs.2,71,262.51 lakhs out of which interest amounting to Rs. 18,433.64 Lakhs has been recognised during the quarter ended 30th September 2024 under the head 'Finance Cost'.

ii) Financial Creditors other than lender banks have also submitted their claims to RP amounting to Rs.2,03,216.42 Lakhs out of which Rs.1,14,120.40 lakhs have been admitted by RP. The company has provisionally accounted for interest till 30.09.2024 amounting to Rs.27,692.85 lakhs Out of which amounting to Rs.2,074.81 lakhs recognised during the quarter ended 30th September, 2024 under the head 'Finance Cost'.

iii) Apart from above, claim of M/s EIG (Mauritius) Ltd was admitted by RP as per arbitration award to the tune of Rs. 7,773.61 lakhs which has been recognised in the books as 'Exceptional Item' and consequent interest of Rs. 2,602.31 lakhs thereon till 30.09.2024 (out of which interest amounting to Rs.307.58 Lakhs have been recognised during the quarter ended 30 June, 2024) have also been provided under "Finance Cost". The operational creditors have also submitted claims to the IRP/RP amounting to Rs. 53,320.16 lakhs out of which RP has admitted claims of Rs.18,401.82 lakhs.

9. The Company had recognised Deferred Tax Assets amounting to Rs 51,706.60 Lakhs up to 31st March, 2018. The Company believes that based on the infusion of fresh funds coming to the Company with the Investors support there will be adequate future taxable profits available to the Company against which the Deferred Tax Assets can be utilised. However, the Company has not recognised further Deferred Tax Assets thereafter on prudent basis.

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PRADYUMAN BAIDYA
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10. Trade Receivables, Other Financial Assets, Other Current Assets, Trade Payable and Advance from customers are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Further, the reconciliation activity by the management is under process and the effects of the reconciliation activity shall be accounted once the reconciliation process is complete. The management, however, does not expect any material variation, Management is also hopeful for recovery/realisation of receivables which include Rs.40,993.04 lakhs under arbitration till 30th September 2024 in the normal course of business, hence no impairment has been considered at this stage.

11. Project business is subject to quarterly variations and one quarter's performance in isolation does not necessarily indicate full year's performance.

12. Previous period figure have been reclassified/ regrouped / rearranged, wherever found to be necessary to make them comparable with the current period/ year figure.

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Ravi Sethia
(Taken on Record)
Chairman of the
Monitoring Committee

ASIM KUMAR Digitally signed by ASIM KUMAR BARMAN
BARMAN Date: 2024.11.13 12:38:02 +05'30'

Asim Kumar Barman
Director (Suspended)
DIN 02373955

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Pradyuman Baidya
Chief Financial Officer

Place: Kolkata

Dated: 13. 11. 2024

Independent Auditor’s Report on Limited Review of the Unaudited Consolidated Financial Results for the quarter and half year ended 30th September, 2024 of McNally Bharat Engineering Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report
The Monitoring Committee of
McNally Bharat Engineering Company Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **MCNALLY BHARAT ENGINEERING COMPANY LIMITED** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) for the quarter and half year ended 30th September, 2024 (“the Statement”), being compiled and submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19th July, 2019 (“the Circular”).
2. This Statement, which is the responsibility of the Company's Management and approved by the Chairman of Monitoring Committee (taken on record), prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (“Ind AS 34”) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMDI/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33



(8) of the Listing Regulation, to the extent applicable.

4. Basis for Adverse Conclusion

a) Current Assets, Current Liabilities and Capital Work – in – Progress

- i. We draw attention to **Note 10** to the statement regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets and Advance from Customer being subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- ii. Further, Claims Recoverable (BG Encashed) amounting to Rs. 36,183.70 Lakhs, including Rs. 13,690.09 Lakhs under arbitration whose fair value is Rs. 19,712.89 Lakhs are doubtful. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- iii. There is no material movement in Capital Work-in-Progress amounting to Rs.462.62 Lakhs, since 31st March, 2016. In absence of any audit evidence, we are unable to ascertain the impact/adjustments required and comment on the same.

b) Non-adjustment of the Carrying Value of the Loan

In earlier years, the Holding Company had given unsecured loan to Vedica Sanjeevani Projects Private Limited (“VSPL”). VSPL vide their letter dated 15th February, 2022 informed the Holding Company that it was unable to service the debt and requested the Holding Company for a moratorium on the repayment of the loan, including interest for two years i.e., Financial Year 2021-22 and Financial Year 2022-23. Subsequently, the Holding Company had stopped recognizing interest income on the same. In absence of any further communication between the Holding Company and VSPL in the current half year, we are unable to comment on the realizability of the loan and its interest and consequential adjustment to be made in the books.

This constitutes a material departure from the requirements of Indian Accounting Standard – 109 “Financial Instrument”.

c) Recognition of Deferred Tax Assets

Note 9 to the Statement that the Holding Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018 which is being carry forwarded in books by the Holding Company expecting adequate future taxable profits after infusion of fresh funds in the Holding Company by the successful resolution applicant against which the deferred tax assets could be adjusted.

The Holding Company has been continually incurring losses and its net worth has been fully eroded. We are unable to obtain sufficient appropriate evidence with respect to the

management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 30th September, 2024.

This constitutes a material departure from the requirements of Indian Accounting Standard 12 "Income Taxes"

5. Based on our review conducted and procedures performed as stated in Paragraph 3, we report that because of the significance of the matters stated in Paragraph 4, and their consequential impact on the unaudited consolidated financial results for the period ending 30th September 2024, which are expected to be material, we have come to the conclusion that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India.

6. **Emphasis of Matters**

We draw attention to the following matters in the notes to the Statement:

a) Approval of the Resolution Plan by the Committee of Creditors/ NCLT

Note 1 and 4 to the Statement informs that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Holding Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IPP01305/2018-2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP has submitted the application before the Hon'ble NCLT on 3rd August 2023 for its final approval. On the 19th of December, Hon'ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon'ble NCLT, the Implementation and Monitoring Committee ("IMC") is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation of approved Resolution Plan. However, the resolution plan submitted by BTL EPC Limited has not been implemented till date. Subsequently, the committee of creditors of the company filed an application with the Hon'ble NCLT to seek appropriate directions and recourse with respect to the approved resolution plan and the Corporate Insolvency Resolution Process(CIRP) of the Company. The matter is being heard by the Hon'ble NCLT and hearing has not been completed. The matter is currently Subjudice.

b) Material Uncertainty related to Going Concern

Note 4 to the Statement that the Group has incurred a net loss of Rs 44,059.15 lakhs (before comprehensive income) during the half year ended 30th September, 2024 and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and customers. These events and conditions indicate a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern. The ability of the

Group to continue as a going concern is dependent on the successful implementation of the resolution plan as approved by the Hon'ble National Company Law Tribunal. However, we could not gather sufficient evidence with respect to the management's assertion and are in the absence of documents/evidence unable to comment on the preparation of the Statement.

However, we could not gather sufficient audit evidence with respect to the management's this assertion and are unable to comment on preparation of the Statement.

c) Non- Assessment of Pending Litigations

Note 5 to the statement that the Holding Company has been receiving regulatory Enquiries/ Notices/ Summons/ Show-Cause/ Demand/ Orders from various Government authorities such as Goods and Services Tax and Income Tax. In view of Holding Company's admission under CIRP all existing civil and legal proceedings will be kept in abeyance as the moratorium is in force under section 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Statement as of now.

d) Recognition of Interest Expense

As referred in **Note 8** of the Statement, during the period, the Holding Company has recognized the interest expense for the half year ended 30th September, 2024 on Bank Borrowings, Inter Corporate Deposits and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 41,130.73 Lakhs as estimated by the management.

e) Others

The Statement includes the results of the following subsidiaries;

Wholly Owned Subsidiary Companies of the Holding Company

- McNally Bharat Equipments Limited
- MBE Mineral Technologies Pte Limited
- MBE Minerals Zambia Limited

The Statement does not include the results of the following Joint Ventures;

Joint Ventures of the Holding Company

- EMC MBE Contracting Company LLC
- McNally – Trolex
- McNally – AML
- McNally – Trolex – Kilburn

Our conclusion is not modified in respect of these matters.

7. Other Matters

The Statement includes the unaudited financial information of one Indian subsidiary and two overseas subsidiaries which reflects the Group's share of total profit/(loss)

of Rs. (1.61) Lakhs and total income Nil for the half year ended 30th September, 2024. The unaudited financial information has been furnished to us by the management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us this interim financial information is not material to the Group.

Our conclusion is not modified in respect of these matters.

For V. SINGHI & ASSOCIATES
Chartered Accountants
Firm Registration No.:311017E

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Place: Kolkata
Date: 13th November, 2024

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 24051371BKFAHP3244

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181

Regd. Office: 4 MANGOE LANE, Kolkata 700 001

Website: www.mcnallybharat.com, Email id: mbecal@mbec.l.co.in, Phone no: (033) 6628-1213

Statement of Consolidated Unaudited Financial Results for the quarter and half year ended 30th September, 2024

(Amount in lakhs, unless otherwise stated)

| SN | Particulars | Three months ended | | | Six months ended | | Year ended |
|----|---|---------------------|--------------------|---------------------|---------------------|---------------------|----------------------|
| | | 30th September 2024 | 30th June 2024 | 30th September 2023 | 30th September 2024 | 30th September 2023 | 31st March 2024 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Revenue from operations | 2,691.90 | 2,617.76 | 4,681.42 | 5,309.66 | 8,780.40 | 16,811.26 |
| 2 | Other income | 797.33 | 4,967.91 | 1,092.53 | 5,765.24 | 2,233.32 | 4,739.84 |
| 3 | Total income (1+2) | 3,489.23 | 7,585.67 | 5,773.95 | 11,074.90 | 11,013.72 | 21,551.10 |
| 4 | Expenses | | | | | | |
| | (a) Cost of materials consumed | 327.20 | 202.85 | 2,345.86 | 530.05 | 4,427.96 | 7,552.24 |
| | (b) Outsourcing expenses to job workers | 1,853.16 | 1,551.96 | 2,040.57 | 3,405.12 | 3,316.33 | 7,552.31 |
| | (c) Employee benefits expense | 632.40 | 646.06 | 840.13 | 1,278.46 | 1,713.99 | 2,962.03 |
| | (d) Finance costs | 22,081.57 | 26,448.67 | 18,968.37 | 48,530.24 | 43,037.64 | 83,377.18 |
| | (e) Depreciation and amortisation expense | 79.99 | 65.33 | 81.12 | 145.32 | 164.95 | 320.90 |
| | (f) Other expenses | 541.98 | 702.88 | 676.78 | 1,244.86 | 1,223.39 | 8,103.74 |
| | Total expenses | 25,516.30 | 29,617.75 | 24,952.83 | 55,134.05 | 53,884.26 | 1,09,868.40 |
| 5 | Profit / (Loss) before tax (3-4) | (22,027.07) | (22,032.08) | (19,178.88) | (44,059.15) | (42,870.54) | (88,317.30) |
| 6 | Tax expenses: | | | | | | |
| | (a) Current tax | - | - | - | - | - | 2.33 |
| 7 | Profit / (Loss) for the period/year (5-6) | (22,027.07) | (22,032.08) | (19,178.88) | (44,059.15) | (42,870.54) | (88,319.63) |
| 8 | Other Comprehensive Income | | | | | | |
| | (a) Items that will not be reclassified to profit or loss : | | | | | | |
| | Remeasurements of Post-employment Defined Benefit Obligations | 19.36 | 19.35 | (18.15) | 38.71 | (15.89) | 77.41 |
| | (b) Items that will be reclassified to profit or loss : | | | | | | |
| | Exchange Difference on translation of foreign operations | 5.35 | 6.70 | 59.25 | 12.05 | (69.87) | (13.25) |
| | Total other comprehensive income (net of income tax) | 24.71 | 26.05 | 41.10 | 50.76 | (85.76) | 64.16 |
| 9 | Total comprehensive income for the period/year (7+8) | (22,002.36) | (22,006.03) | (19,137.78) | (44,008.39) | (42,956.30) | (88,255.47) |
| 10 | Profit/(Loss) attributable to: | | | | | | |
| | Owners of the Holding Company | (22,027.07) | (22,032.07) | (19,178.94) | (44,059.14) | (42,870.65) | (88,319.67) |
| | Non-Controlling interest | (0.00) | (0.01) | 0.06 | (0.01) | 0.11 | 0.04 |
| | Total | (22,027.07) | (22,032.08) | (19,178.88) | (44,059.15) | (42,870.54) | (88,319.63) |
| 11 | Other Comprehensive income is attributable to : | | | | | | |
| | Owners of the Holding Company | 24.71 | 26.05 | 41.10 | 50.76 | (85.76) | 64.16 |
| | Non-Controlling interest | - | - | - | - | - | - |
| | Total | 24.71 | 26.05 | 41.10 | 50.76 | (85.76) | 64.16 |
| 12 | Total Comprehensive income is attributable to : | | | | | | |
| | Owners of the Holding Company | (22,002.36) | (22,006.02) | (19,137.84) | (44,008.38) | (42,956.41) | (88,255.51) |
| | Non-Controlling interest | (0.00) | (0.01) | 0.06 | (0.01) | 0.11 | 0.04 |
| | Total | (22,002.36) | (22,006.03) | (19,137.78) | (44,008.39) | (42,956.30) | (88,255.47) |
| 13 | Paid up equity share capital (Face value of the share Rs.10 each) | 21,157.08 | 21,157.08 | 21,157.08 | 21,157.08 | 21,157.08 | 21,157.08 |
| 14 | Reserve excluding revaluation reserve | - | - | - | - | - | (4,41,891.17) |
| 15 | Earnings Per Share (of Rs. 10/- each) (not annualised): | | | | | | |
| | Basic (Rs.) | (10.39) | (10.41) | (9.05) | (20.80) | (20.30) | (41.74) |
| | Diluted (Rs.) | (10.39) | (10.41) | (9.05) | (20.80) | (20.30) | (41.74) |

Also refer accompanying notes to the financial results.

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Date: 13th November 2024

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Pradyuman Baidya
Chief Financial Officer

ASIM KUMAR BARMAN
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Asim Kumar Barman
Director (Suspended)
DIN 02373956

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Ravi Sethia
(Taken on Record)
Chairman of the Monitoring Committee

| McNALLY BHARAT ENGINEERING COMPANY LIMITED | | |
|--|---|---------------------------------------|
| CIN: L45202WB1961PLC025181 | | |
| Regd. Office: 4 MANGO LANE, Kolkata 700 001 | | |
| Web: www.mcnallybharat.com, Email id: mbecal@mbecol.co.in, Phone no: (033) 6628-1213 | | |
| Unaudited Consolidated Statement of Asset and Liabilities as at 30th September, 2024 | | |
| (Amount in lakhs, unless otherwise stated) | | |
| Particulars | As at 30th September 2024 (Unaudited) | As at 31st March 2024 (Audited) |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 1,310.24 | 1,420.57 |
| Right to use assets | - | 32.49 |
| Capital work-in-progress | 462.62 | 462.62 |
| Other Intangible assets | 59.70 | 62.20 |
| Financial assets | | |
| i. Investments | 144.28 | 126.15 |
| ii. Other financial assets | 32.49 | 27.60 |
| Deferred tax assets | 51,706.60 | 51,706.60 |
| Total non-current assets | 53,715.93 | 53,838.23 |
| Current assets | | |
| Inventories | 24.33 | 37.12 |
| Financial assets | | |
| i. Trade receivables | 73,600.75 | 74,241.16 |
| ii. Cash and cash equivalents | 2,198.57 | 1,743.73 |
| iii. Bank balances other than (ii) above | 320.71 | 325.16 |
| iv. Loans | 1,812.72 | 1,816.01 |
| v. Other financial assets | 26,318.43 | 28,132.37 |
| Current tax assets(net) | 54.30 | 227.46 |
| Other current assets | 39,652.57 | 39,572.94 |
| Total current assets | 1,43,982.38 | 1,46,095.95 |
| Total assets | 1,97,698.31 | 1,99,934.18 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 21,157.08 | 21,157.08 |
| Other equity | | |
| Reserves and surplus | (4,85,899.56) | (4,41,891.17) |
| Equity attributable to owners of the Holding Company | (4,64,742.48) | (4,20,734.09) |
| Non-controlling interests | 0.14 | 0.15 |
| Total equity | (4,64,742.34) | (4,20,733.94) |
| LIABILITIES | | |
| Non-current liabilities | | |
| Financial Liabilities | | |
| i. Borrowings | 115.00 | 115.00 |
| Provisions | 204.31 | 199.18 |
| Total non-current liabilities | 319.31 | 314.18 |
| Current liabilities | | |
| Financial Liabilities | | |
| i. Borrowings | 3,10,510.00 | 3,10,530.86 |
| ii. Lease Liabilities | - | 38.76 |
| iii. Trade payables | | |
| -Total outstanding dues of Micro, Small and Medium Enterprises | 187.12 | 187.12 |
| -Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | 22,648.12 | 22,436.37 |
| iv. Other financial liabilities | 3,23,955.32 | 2,82,530.61 |
| Other current liabilities | 4,733.06 | 4,542.50 |
| Provisions | 87.72 | 87.72 |
| Total current liabilities | 6,62,121.34 | 6,20,353.94 |
| Total liabilities | 6,62,440.65 | 6,20,668.12 |
| Total equity and liabilities | 1,97,698.31 | 1,99,934.18 |

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Place: Kolkata
Date: 13th November 2024

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Date: 2024.11.13 13:13:47 +05'30'

Pradyuman Baidya
Chief Executive Officer

ASIM
KUMAR
BARMAN

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Date: 2024.11.13 13:13:47 +05'30'

Asim Kumar Barman
Director (Suspended)
DIN 02373956

Ravi
Sethia

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Ravi Sethia
(Taken on Record)
Chairman of the Monitoring Committee

(Amount in lakhs unless otherwise stated)

| Particulars | Half Year Ended | |
|---|---------------------|---------------------|
| | 30th September 2024 | 30th September 2023 |
| | Unaudited | Unaudited |
| Cash flow from operating activities | | |
| Profit before income tax | (44,059.15) | (42,870.54) |
| Adjustments for | | |
| Depreciation | 145.32 | 164.95 |
| Finance Cost | 48,530.24 | 43,037.64 |
| Interest Income | (5,673.43) | (2,104.38) |
| Provision for Slow moving Stock | - | 9.90 |
| Remeasurements of post-employment benefit plans OCI | - | (15.89) |
| Bad Debts Written Off | - | 9.99 |
| Expected credit loss provided for/(written back) | (187.98) | 138.22 |
| Liability no longer required written back | - | (1.33) |
| Provision for Future Foreseeable Losses in Construction Contracts | 198.22 | (219.93) |
| Unrealised (gain)/ loss on Foreign Currency Translation (Net) | 26.31 | (7.17) |
| Net (gain)/loss on financial assets measured at fair value through profit or loss | (18.14) | (14.26) |
| | (1,038.61) | (1,872.80) |
| Change in operating assets and liabilities: | | |
| (Increase)/Decrease in trade receivables | 848.96 | 309.07 |
| (Increase)/Decrease in Inventories | 12.79 | 25.25 |
| Increase/(Decrease) in trade payables | 167.52 | (1,215.21) |
| (Increase)/Decrease in other financial assets | 72.30 | 589.38 |
| (Increase)/decrease in other current assets | (79.63) | 824.31 |
| Increase/(decrease) in provisions | 43.83 | 14.38 |
| Increase/ (decrease) in other financial liabilities | 95.75 | 338.87 |
| Increase/ (decrease) in other liabilities | 190.56 | 487.83 |
| Cash generated from operations | 313.47 | (498.92) |
| Income taxes (paid)/Refund | 173.16 | 96.85 |
| Net cash inflow / (outflow) from operating activities | 486.63 | (402.07) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | - | (0.80) |
| Purchase of Other Intangible Asset | - | (10.50) |
| Deposits matured/(made) during the year | (0.46) | (0.37) |
| Interest received | 42.21 | 47.48 |
| Net cash inflow / (outflow) from investing activities | 41.75 | 35.81 |
| Cash flows from financing activities | | |
| Proceeds /(Repayment) of borrowings | (8.12) | 259.53 |
| Lease Repayment | (43.80) | (36.53) |
| Finance Cost | (21.57) | (7.27) |
| Net cash inflow / (outflow) from financing activities | (73.49) | 215.73 |
| Net increase / (decrease) in cash and cash equivalents | 454.89 | (150.53) |
| Cash and cash equivalents at the beginning of the financial year | 1,743.73 | 3,012.10 |
| Effects of exchange rate changes on cash and cash equivalents | (0.05) | 1.13 |
| Cash and cash equivalents at end of the year | 2,198.57 | 2,862.70 |

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Date: 13th November 2024

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Pradyuman Baidya
Chief Executive Officer

ASIM KUMAR
BARMAN

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Asim Kumar Barman
Director (Suspended)
DIN 02373956

Ravi Sethia

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Ravi Sethia
(Taken on Record)
Chairman of the Monitoring
Committee

McNally Bharat Engineering Company Limited

Notes to the statement of Unaudited Consolidated Financial Results for the quarter and half year ended 30th September,2024

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being C.P (IB) No. 891/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, while disposing off, admitted the application vide order dated 29.04.2022 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Holding Company. CA Anuj Jain (IBBI/IPA-001/1IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional (IRP). Thereafter, Mr Ravi Sethia (IBBI/IPA- 001/IP-P 01305/2018-2019/12052) has been appointed a Resolution Professional (RP) vide NCLT order dt.26.08.22. Upon commencement of CIRP, the powers of the Board of Directors of the Holding Company stand suspended and management of the Holding Company vest with the IRP/Resolution Professional (RP).

2. Committee of creditors (COC) of the Holding Company has been constituted on 18.05.2022 on the basis of collation of all claims by the IRP and report is submitted to NCLT by IRP. The COC has been further reconstituted from time to time by the IRP/RP (last such reconstitution on 29.12.2022) and intimation filed with the Hon'ble NCLT, Kolkata Bench.

3. The Resolution Plan of one of the Resolution Applicants has received the approval of COC by requisite majority, in term of the Insolvency and Bankruptcy Code, 2016 and COC authorised the RP to issue the Letter of Intent in term of the request for Resolution Plan and thereafter submit the application before the Hon'ble NCLT Court for final approval of the Resolution Plan. The application had been submitted before the Hon'ble NCLT Court on 3 August, 2023.

4. The Hon'ble National Company Law Tribunal, Kolkata bench-Court-I (NCLT) has approved the Resolution plan of the successful resolution applicant, namely M/s BTL EPC LTD vide its order dated 19.12.2023. However, the resolution plan submitted by BTL EPC Limited has not been implemented till date. Subsequently, the committee of creditors of the holding company filed an application with the Hon'ble NCLT to seek appropriate directions and recourse with respect to the approved resolution plan and the Corporate Insolvency Resolution Process(CIRP) of the holding company. The matter is being heard by the Hon'ble NCLT and hearing has not been completed. The matter is currently Subjudice. Accordingly, the financial result of the Holding Company has been prepared on a going concern basis.

5. The above consolidated financial results have been prepared in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with the SEBI circular dated July 05, 2016

(a) There shall be a moratorium under section 14 of the Insolvency and Bankruptcy Code,2016 till the approval of the Resolution plan which has been duly approved by the Hon'ble NCLT via order dated December 19, 2023 The Resolution plan is yet to be implemented.

(b) The Holding Company had received regulatory Enquiries/Notices/Summons/Show-Cause/Demand/Orders from various government authorities such as Goods and Services Tax, Income Tax. In view of Holding Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code,2016 is

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applicable on the till the effective date of the NCLT order. Therefore, no impact has been considered in these results as of now.

6. The above results have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. The Holding Company is primarily engaged in the business of Construction and Engineering activities and subsidiary companies are also operating under similar line of business. Hence, no separate disclosure has been made for segment reporting as per IND AS 108-Operating Segments.

8. i) The Holding Company has been categorised as a Non-Performing Asset by the lender banks and the majority of the Lender Banks have stopped debiting interest on their outstanding debts. After the Holding company was admitted in NCLT, the Lender Banks submitted their claims to the IRP/RP amounting to Rs 3,62,003.83 lakhs (including interest) out of which claims amounting to Rs. 3,61,778.21 lakhs have been admitted. The Holding company has provisionally accounted for interest from date of categorisation as Non- Performing Asset by lender banks till 30th September, 2024 amounting to Rs. 2,71,262.51 lakhs (out of which interest amounting to Rs 18,433.64 Lakhs has been recognized during the quarter ended 30th September, 2024) under the head 'Finance Cost'.

ii) Financial Creditors other than lender banks of the Holding Company have also submitted their claims to RP amounting to Rs.2,03,216.42 lakhs out of which Rs.1,14,120.40 lakhs have been admitted by RP. The Holding Company has provisionally accounted for interest till 30th September 2024 amounting to Rs. 27,692.85 lakhs (Out of which amounting to Rs. 2,074.81 lakhs recognised during the quarter ended 30th September, 2024) under the head 'Finance Cost'.

iii) Apart from above, claim of M/s EIG (Mauritius) Ltd against Holding Company was admitted by RP as per arbitration award to the tune of Rs. 7,773.61 lakhs which has been recognised in the books as 'Exceptional Item' and consequent interest of Rs. 2,602.31 lakhs thereon till 30.09.2024 (out of which interest amounting to Rs307.58 Lakhs have been recognised during the quarter ended 30th September, 2024) have also been provided under "Finance Cost". The operational creditors of the Holding Company have also submitted claims to the IRP/RP amounting to Rs 53,320.16 lakhs, out of which RP has admitted claims of Rs.18,401.82 lakhs,

9. The Holding Company had recognised Deferred Tax Assets amounting to Rs. 51,706.60 Lakhs up to 31st March, 2018. The Holding Company believes that based on the infusion of fresh funds coming to the Holding Company with the Investors support there will be adequate future taxable profits available to the Company against which the Deferred Tax Assets can be utilised. However, the Holding Company has not recognised further Deferred Tax Assets thereafter on prudent basis.

10. Trade Receivables, Trade Payables, Advance from customers, Other Financial Assets and Other Current Assets are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Further, the reconciliation activity by the management of the Holding Company is under process and the effects of the reconciliation activity shall be accounted once the reconciliation process is complete. The management, however, does not expect any material variation, Management is also hopeful for recovery/realisation of receivables which include Rs.40,993.04 Lakhs under arbitration till 30th September 2024 in the normal course of business, hence no impairment has been considered at this stage.

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11. Project business is subject to quarterly variations and one quarter's performance in isolation does not necessarily indicate full year's performance.

12. Previous period figures have been reclassified/ regrouped / rearranged, wherever found to be necessary to make them comparable with the current period/ year figure.

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Ravi Sethia
(Taken on Record)
Chairman of the Monitoring Committee

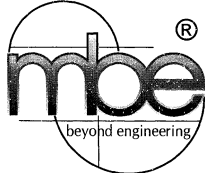
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Asim Kumar Barman
Director (Suspended)
DIN 02373955

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Date: 2024.11.13 13:20:33 +05'30'

Pradyuman Baidya
Chief Financial Officer

Place: Kolkata
Dated : 13. 11. 2024



McNally Bharat Engineering Company Limited

CIN: L45202WB1961PLC025181

Corporate Office: Ecospace Campus 2B 11F/12

New Town Rajarhat North 24 Parganas Kolkata-700160

Telephone +91 33 68311001/+91 33 68311212

Email: mbe.corp@mbecl.co.in Website: www.mcnallybharat.com

Registered Office: 4 Mangoe Lane Kolkata-700001

An ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified Company

CERTIFIED TRUE COPY OF RELEVANT EXTRACTS FROM THE MINUTES OF THE INTERNAL MEETING OF THE CHAIRMAN OF THE MONITORING COMMITTEE & INDEPENDENT DIRECTOR OF McNALLY BHARAT ENGINEERING COMPANY LIMITED HELD ON 13TH NOVEMBER 2024 AT ECOSPACE, KOLKATA.

To approve the Company's Unaudited Standalone and Consolidated Financial Results for the second quarter and half-year ended 30th September 2024.

“RESOLVED that the Company's Unaudited Standalone Financial Results for the Second Quarter and Half-year ended 30th September 2024 (“the Results”) made out in accordance with the format prescribed under Regulation 33 of the Listing Regulations, 2015 and placed before this Meeting, be and is hereby approved;

RESOLVED that the Company's Unaudited Consolidated Financial Results for the Second Quarter and Half-year ended 30th September 2024 (“the Results”) made out in accordance with the format prescribed under Regulation 33 of the Listing Regulations, 2015 and placed before this Meeting, be and is hereby approved;

RESOLVED FURTHER that Mr. Ravi Sethia, Chairman of the Monitoring Committee (erstwhile Resolution Professional) and Mr. Asim Kumar Barman, Independent Director and Chairman of the Audit Committee be and are hereby authorized to sign the Results.”

**CERTIFIED TRUE COPY
For McNally Bharat Engineering Company Limited**

INDRANI RAY

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**Indrani Ray
Company Secretary**