

McNally Bharat Engineering Company Limited

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Corporate Office : Ecospace Campus 2B 11F/12
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Registered Office : 4 Mangoe Lane Kolkata-700 001

February 12, 2021

Bombay Stock Exchange Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block, Bandra - Kurla Complex, Bandra
(E), Mumbai - 400 051

Dear Madam/Sir,

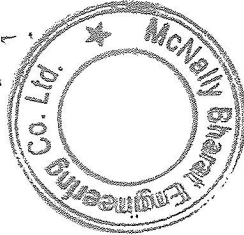
Sub: Outcome of the Meeting of the Board of Directors of the Company held on February 12, 2021

This is to inform you that the Board of Directors at its meeting held on even date has approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months' period ended December 31, 2020. In compliance with the provisions of Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), please find enclosed herewith the aforesaid Financial Results, along with the Limited Review Reports of the Statutory Auditors thereon.

Thanking You,

Yours Faithfully,
For McNally Bharat Engineering Company Limited

Rahul Banerjee
Company Secretary



Independent Auditor's Review Report on the Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2020

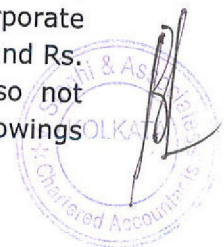
Review Report to
The Board of Directors
McNally Bharat Engineering Company Limited
Four Mangoe Lane, Surendra Mohan Ghosh Sarani
Kolkata - 700001

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MCNALLY BHARAT ENGINEERING COMPANY LIMITED** ("the Company") for the quarter and nine months ended 31st December, 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, 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 Qualified Conclusion

a) Non-Recognition of Interest Expense

We draw attention to Note 4 to the Statement that the Company's Borrowings have been categorized as Non-Performing Asset by the lender banks. Consequently, the Company has not recognised interest expense on bank borrowings and Inter-Corporate borrowings amounting to Rs. 23,560.27 Lakhs and Rs. 190.80 Lakhs respectively for the nine months ended 31st December, 2020 (including Rs. 7,809.43 Lakhs and Rs. 63.60 Lakhs interest expense on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st December, 2020) as referred in Note 4 to the Statement. Further, interest expense not recognised on bank borrowings and inter-corporate borrowings for the year ended 31st March, 2020 was Rs. 29,044.74 Lakhs and Rs. 1,059.48 Lakhs respectively. In addition to this, the Company had also not recognised interest expense of Rs. 9,216.88 Lakhs on Inter-Corporate Borrowings for the financial year ended 31st March, 2019.



As a result, finance costs, liabilities on account of interest and total comprehensive loss are understated to that extent.

This constitutes a material departure from the requirements of Indian Accounting Standard 109 "Financial Instruments".

5. Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 4 above, the Statement of Standalone Unaudited Financial Results has not been prepared in accordance with the applicable Indian Accounting Standards and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. **Emphasis of Matters**

a) Material uncertainty related to Going Concern

We draw attention to Note 5 to the Statement that the Company has reported net loss of Rs. 6368.79 Lakhs during the nine months ended 31st December, 2020 and unable to meet its financial commitments/covenants to lenders and various other stakeholders. The Company's management is currently in discussion with the lenders for carrying out a debt restructuring proposal as informed to us by the Management. Such events and conditions indicate a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern and the same is solely dependent on the acceptance of the debt restructuring proposal. Based on the Board of Directors' assessment of the successful outcome of the restructuring proposal, this Statement has been prepared on going concern basis.

b) Recognition of Deferred Tax Assets

We draw attention to Note 6 to the Statement that the Company had recognised deferred tax assets of Rs. 51,706.60 Lakhs upto 31st March, 2018 expecting adequate future taxable profits to the Company against which the deferred tax assets can be realised, which is solely dependent on the acceptance of the debt restructuring proposal. However, the Company has not recognised further deferred tax assets thereafter on prudent basis.

c) Non-adjustment of the Carrying Value of the Investments

We draw attention to Note 7 to the Statement regarding invocation of pledge over 23,37,211 Equity Shares of the Subsidiary Company, McNally Sayaji Engineering Limited held by the Company, by the Lender Bank of the Subsidiary Company i.e. ICICI Bank Limited as per their letter dated 27th November, 2020 at a value of Re. 1/- against the Term Loan facility availed by the Subsidiary Company. The Subsidiary Company has objected to such invocation vide their letter dated 15th December, 2020 and has not made any adjustment to the carrying value of its investment in the Subsidiary Company

Our conclusion on the Statement is not modified in respect of these matters.



7. Qualified Conclusion

Based on our review conducted as above and except for the possible effects of the matters stated in Basis for Conclusion Paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Place: Kolkata
Date: 12th February, 2021


(V.K. SINGHI)
Partner

Membership No. 050051
UDIN: 21050051AAAAD88144

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 nine months ended 31 December, 2020

(Rs. in Lakhs, unless otherwise stated)

Particulars	Three months ended			Nine months ended		Year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from operations						
(a) Net sales/ Income from operations	7,272.28	6,327.02	12,716.84	21,214.53	45,813.93	56,467.42
(b) Other operating income	32.66	31.70	32.08	70.12	206.12	292.65
Total income from operations	7,304.94	6,358.72	12,748.92	21,284.65	46,020.05	56,760.07
2 Other income	747.65	1,006.08	449.13	2,450.76	5,132.36	5,148.24
3 Total income (1+2)	8,052.59	7,364.80	13,198.05	23,735.41	51,152.41	61,908.31
4 Expenses						
(a) Cost of materials consumed	3,074.75	1,662.62	4,219.44	8,506.80	17,377.56	21,471.18
(b) Outsourcing expenses to job workers	3,307.92	3,311.70	3,153.47	9,273.18	17,448.82	20,184.99
(c) Employee benefits expense	1,254.32	1,145.95	1,247.85	3,347.93	5,372.68	7,131.29
(d) Finance costs	748.38	1,450.09	219.86	3,901.58	4,488.48	8,106.77
(e) Depreciation and amortization expense	161.08	174.94	307.05	549.01	783.50	1,005.34
(f) Other expenses	1,621.44	1,172.93	19,208.59	4,530.40	28,028.53	42,096.69
Total expenses	10,167.89	8,918.23	28,356.26	30,108.90	73,499.57	99,996.26
5 Profit/(Loss) before tax (3-4)	(2,115.30)	(1,553.43)	(15,158.21)	(6,373.49)	(22,347.16)	(38,087.95)
6 Tax expenses:						
Deferred tax	-	-	-	-	-	-
7 Profit/(Loss) for the period/year (5-6)	(2,115.30)	(1,553.43)	(15,158.21)	(6,373.49)	(22,347.16)	(38,087.95)
8 Other comprehensive income (net of tax)	0.23	2.24	(26.33)	4.70	(78.99)	8.94
Total other comprehensive income (net of income tax)	0.23	2.24	(26.33)	4.70	(78.99)	8.94
9 Total comprehensive income for the period/year (7+8)	(2,115.08)	(1,551.19)	(15,184.54)	(6,368.79)	(22,426.15)	(38,079.01)
10 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
11 Reserves excluding revaluation reserve	-	-	-	-	-	(7,572.53)
12 Earnings per share (of Rs. 10/- each) (not annualised):						
Basic	(1.00)	0.73	(8.66)	(3.01)	(10.58)	(18.00)
Diluted	(1.00)	0.73	(8.66)	(3.01)	(10.58)	(18.00)

Also refer accompanying notes to the financial results.



McNally Bharat Engineering Company Limited

Notes to the Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2020

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th February, 2021.
2. 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.
3. The Company is primarily engaged in the business of construction and hence no separate disclosure has been made for segment reporting as per Ind AS 108-Operating Segments.
4. a. The Company has been categorised as Non-Performing Asset by the lender banks and majority of the Lender Banks have stopped debiting interest on their outstanding debts as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Company has not recognised interest expense on bank borrowings and Inter-Corporate borrowings amounting to Rs. 23,560.27 Lakhs and Rs. 190.80 Lakhs respectively for the nine months ended 31st December, 2020 (including Rs. 7,809.43 Lakhs and Rs. 63.60 Lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st December, 2020). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings for the year ended 31st March, 2020 was Rs. 29,044.74 Lakhs and Rs. 1,059.48 Lakhs respectively.

b. The Company had also not recognised interest expense of Rs. 9,216.88 Lakhs on Inter-Corporate Borrowings for the financial year ended 31st March, 2019.
5. The Company's financial performance has been adversely affected due to downturn of the infrastructure and core sector, working capital constraints and external factors beyond the Company's control and the Company has not been able to meet its financial commitments /covenants to lenders and various other stakeholders. **The Company has submitted its resolution proposal to the lenders for restructuring and the lenders have decided to have Techno Economic Viability (TEV) study of a Resolution plan submitted by company.** The Management is evaluating various options and hopeful that with the support of the lenders and on approval of the Resolution Plan, the Company will be able to generate sufficient cash flows through profitable operations to discharge its financial obligations. Hence, the Board of Directors have decided to prepare the Standalone Unaudited Financial Results on a going concern basis.



6. The Company had recognised Deferred Tax Assets amounting to Rs 51,706.60 Lakhs upto 31st March, 2018. The Company believes that based on the infusion of fresh funds coming to the Company with the lenders support on the debt restructuring proposal, 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.
7. In earlier years, the Company had pledged its investment with ICICI Bank Limited to the extent of 23,37,211 Equity Shares of its subsidiary company, McNally Sayaji Engineering Limited as security against Term Loan availed by the said subsidiary Company. In view of the continued defaults by the Subsidiary Company in repayment of term loan, ICICI Bank Limited vide its letter dated 27th November, 2020 has invoked the pledge created over these shares and adjusted Re. 1/- against the over dues of the Subsidiary Company. The Subsidiary Company has objected to such invocation vide its letter dated 15th December, 2020 and therefore has not made any adjustment to the carrying value of its investment in the Subsidiary Company.
8. The Company has obtained the necessary approvals from the lender bank and the shareholders in terms of Section 197(17) of the Companies Act, 2013 in respect of the excess remuneration paid/payable to the Managing Director of the Company.
9. Project business is subject to quarterly variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
10. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

Date: 12th February, 2021

Place: Kolkata



(SRINIVASH SINGH)
MANAGING DIRECTOR
DIN- 00789624

Independent Auditor's Review Report on the Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December, 2020

Review Report to
The Board of Directors
McNally Bharat Engineering Company Limited
Four Mangoe Lane, Surendra Mohan Ghosh Sarani
Kolkata - 700001

1. We have reviewed the accompanying Statement of Consolidated Unaudited 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 nine months ended 31st December, 2020 ("the Statement").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. **Basis for Qualified Conclusion**

a) Non-recognition of Interest Expense

We draw attention to Note 4 to the Statement that the Holding Company and one of its Subsidiary Company, McNally Sayaji Engineering Limited have not recognised interest expense on Bank borrowings and Inter-Corporate Borrowings amounting to Rs. 25,973.27 Lakhs and Rs. 665.80 Lakhs respectively for the nine months ended 31st December, 2020 (including Rs. 8,647.43 Lakhs and Rs. 220.60 Lakhs interest expense on Bank Borrowings and Inter-Corporate Borrowings for the quarter ended 31st December, 2020) as referred in Note 4 to the Statement. Further, interest expense not recognised on bank borrowings and inter-corporate borrowings for the year ended 31st March, 2020 was Rs. 31,722.41 Lakhs and Rs. 1,690.51 Lakhs respectively as referred in Note 4 to the Statement. In addition to the above, the Holding Company had also not recognised interest expense of Rs 9,216.88 Lakhs on Inter-Corporate Borrowings for the financial year ended 31st March, 2019. As a result, finance costs, liabilities on account of interest and total comprehensive loss are understated to that extent.

This constitutes a material departure from the requirements of Indian Accounting Standard 109 "Financial Instruments".

5. Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 4 above, the Statement of Unaudited Consolidated Financial Results has not been prepared in accordance with the applicable Indian Accounting Standards and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. **Emphasis of Matters**

a) Material uncertainty related to Going Concern

We draw attention to Note 5 to the Statement that the Group has reported net loss of Rs. 6089.89 Lakhs during the nine months ended 31st December, 2020 and the Holding Company and one of its Subsidiary Company, McNally Sayaji Engineering Limited is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The Holding Company's management and the Subsidiary Company's management are currently in discussion with the lenders for carrying out a debt restructuring proposal as informed to us by the Management. Such events and conditions indicate a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern and the same is solely dependent on the acceptance of the debt restructuring proposal of the Holding Company. Based on the Holding Company's Board of Directors' assessment of the successful outcome of the restructuring proposal, this Statement has been prepared on going concern basis.



b) Recognition of Deferred Tax Assets.

We draw attention to Note 6 to the Statement that the Group had recognised deferred tax assets of Rs. 57,940.49 Lakhs upto 31st March, 2019 expecting adequate future taxable profits to the Group against which the deferred tax assets can be realised, which is solely dependent on the acceptance of the debt restructuring proposal. However, the Group has not recognised further deferred tax assets thereafter on prudent basis.

C) Non-adjustment of the Carrying Value of the Investments.

We draw attention to Note 7 to the Statement regarding invocation of pledge over 23,37,211 Equity Shares of the Subsidiary Company, McNally Sayaji Engineering Limited held by the Holding Company, by the Lender Bank of the Subsidiary Company i.e. ICICI Bank Limited as per their letter dated 27th November, 2020 at a value of Re. 1/- against the Term Loan facility availed by the Subsidiary Company. The Subsidiary Company has objected to such invocation vide their letter dated 15th December, 2020. Accordingly, the Holding Company has not made any adjustments to the carrying value of its investment in the Subsidiary Company

Our conclusion on the Statement is not modified in respect of these matters.

7. The Statement includes the results of the following entities:

- Wholly Owned Subsidiary Companies of the Holding Company
- McNally Bharat Equipments Limited
- MBE Mineral Technologies Pte Limited
- MBE Minerals Zambia Limited

- Subsidiary Company of the Holding Company
- McNally Sayaji Engineering Limited

- Step-down subsidiary of the Holding Company
- MBE Mineral & Coal Technology India Private Limited (Wholly Owned Subsidiary of McNally Sayaji Engineering Limited)



8. Other Matters

The Consolidated Financial Results includes the consolidated financial results of one Subsidiary whose financial results reflect total revenue of Rs. 12559.67 Lakhs and total comprehensive income of Rs. 278.89 Lakhs as considered in the Statement for the nine months ended 31st December, 2020, which have been reviewed by us.

The Consolidated Financial Results includes the Financial information/results of two foreign subsidiaries and one Indian subsidiary whose Financial information/results have not been reviewed by their auditors, and whose financial information reflect total revenue of Rs. Nil and total comprehensive loss of Rs. 0.08 Lakhs as considered in the Statement for the nine months ended 31st December, 2020. These Financial information/results are certified by the management. According to the information and explanations given to us by the Company's Management, these Financial information/results are not material to the Group.

We draw attention to Note 9 to the Statement that the results of the Joint Venture of the Holding Company i.e. EMC MBE Contracting Company LLC whose carrying value in the Financial Results of the Holding Company is Rs. Nil (net of impairment) and has not been considered in the Consolidated Financial Results.

Our conclusion on the Statement is not modified in respect of the above matters.

9. Qualified Conclusion

Based on our review conducted as above and except for the possible effects of the matters stated in Basis for Conclusion Paragraph above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the aforesaid Indian Accounting Standards and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



(V.K. SINGHI)
Partner

Membership No. 050051
UDIN: 21050051AAADR4587

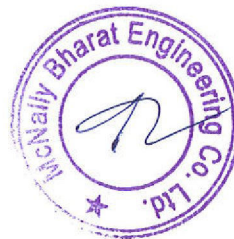
Place: Kolkata
Date: 12th February, 2021

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGOE LANE, Kolkata 700 001
Website: www.mcnallybharat.com, Email id: mbecal@mbecol.co.in, Phone no: (033) 6628-1213
Statement of Consolidated Audited Financial Results for the quarter and nine months ended 31st December, 2020

(Rs. in Lakhs, unless otherwise stated)

Particulars	Three months ended			Nine months ended		Year ended
	31st December 2020	30th September 2020	31st December 2019	31st December 2020	31st December 2019	31st March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from operations	12,049.33	10,103.62	16,423.75	32,648.20	59,297.03	73,004.67
2 Other income	831.74	1,007.52	571.11	2,584.04	5,670.36	6,213.46
3 Total income (1+2)	12,881.05	11,111.14	16,994.86	35,232.24	64,967.39	79,218.13
4 Expenses						
(a) Cost of materials consumed	5,508.27	3,186.14	5,863.25	13,267.11	23,968.36	29,353.06
(b) Purchase of stock-in-trade	-	-	-	-	-	-
(c) Changes in Inventories of work-in-progress and finished goods	(102.00)	28.80	(139.00)	612.00	325.00	455.83
(d) Outsourcing expenses to job workers	3,221.32	2,958.11	3,066.51	8,845.96	17,128.68	19,708.72
(e) Employee benefits expense	2,063.16	1,913.54	2,094.85	5,549.77	7,999.68	10,345.68
(f) Finance costs	864.41	1,555.78	331.73	4,208.61	5,104.48	8,880.04
(g) Depreciation and amortisation expense	327.10	483.42	405.84	1,334.02	1,365.50	1,811.07
(h) Other expenses	2,940.19	2,039.37	20,272.50	7,477.36	31,557.07	47,432.77
Total expenses	14,822.44	12,165.16	31,895.68	41,294.83	87,448.78	117,987.17
5 Profit / (Loss) before tax and Exceptional Items (3-4)	(1,941.39)	(1,054.02)	(14,900.81)	(6,062.59)	(22,481.38)	(38,769.04)
6 Exceptional Items	-	-	-	-	-	-
7 Profit / (Loss) before tax (5-6)	(1,941.39)	(1,054.02)	(14,900.81)	(6,062.59)	(22,481.38)	(38,769.04)
8 Tax expenses:						
(a) Current tax	-	-	-	-	(25.22)	-
(b) Provision Written Back	-	-	-	-	-	(25.22)
(c) Deferred tax	-	-	-	-	-	-
9 Profit / (Loss) for the period/year (7-8)	(1,941.39)	(1,054.02)	(14,900.81)	(6,062.59)	(22,456.16)	(38,743.82)
10 Other comprehensive income (net of income tax)	(1.77)	(16.66)	(55.88)	(27.30)	(169.99)	(41.77)
11 Total comprehensive income for the period/year (9+10)	(1,943.16)	(1,070.68)	(14,956.69)	(6,089.89)	(22,626.15)	(38,785.59)
12 Profit/(Loss) attributable to:						
Owners of MBECL	(1,973.45)	(1,146.10)	(14,948.52)	(6,119.91)	(22,436.66)	(38,623.04)
Non-Controlling interest	32.06	92.09	47.71	57.32	(19.73)	(120.78)
Total	(1,941.39)	(1,054.01)	(14,900.81)	(6,062.59)	(22,456.39)	(38,743.82)
13 Other Comprehensive income is attributable to :						
Owners of MBECL	(1.40)	(13.16)	(50.44)	(21.40)	(153.21)	(32.85)
Non-Controlling interest	(0.37)	(3.50)	(5.44)	(5.90)	(16.78)	(8.92)
Total	(1.77)	(16.66)	(55.88)	(27.30)	(169.99)	(41.77)
14 Total Comprehensive income is attributable to :						
Owners of MBECL	(1,974.85)	(1,159.27)	(14,998.96)	(6,141.31)	(22,589.87)	(38,655.88)
Non-Controlling interest	31.69	88.60	42.28	51.42	(36.51)	(129.71)
Total	(1,943.16)	(1,070.67)	(14,956.68)	(6,089.89)	(22,626.38)	(38,785.59)
15 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
16 Reserve excluding revaluation reserve	-	-	-	-	-	(20,356.81)
17 Earnings Per Share (of Rs. 10/- each) (not annualised):						
Basic	(0.92)	(0.50)	(7.06)	(2.87)	(10.68)	(18.26)
Diluted	(0.92)	(0.50)	(7.06)	(2.87)	(10.68)	(18.26)

Also refer accompanying notes to the Financial Results.

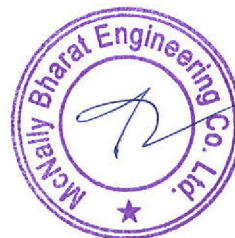


McNally Bharat Engineering Company Limited

Notes to the Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December, 2020

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th February, 2021.
2. 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.
3. The Group is primarily engaged in the business of construction and hence no separate disclosure has been made for segment reporting as per Ind AS 108-Operating Segments.
4. a. The Holding Company and one of the Subsidiary Company, McNally Sayaji Engineering Limited have been categorised as Non-Performing Asset by the lender banks and majority of the lender banks of the Holding Company and the said Subsidiary Company have stopped debiting interest on their outstanding debts as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Holding Company and the said Subsidiary have not recognised interest expense on Bank borrowings and Inter-Corporate Borrowings amounting to Rs. 25,973.27 Lakhs and Rs. 665.80 Lakhs respectively for the nine months ended 31st December, 2020 (including Rs. 8,647.43 Lakhs and Rs. 220.60 Lakhs interest expense on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st December, 2020). Interest expense not recognised on bank borrowings and inter-corporate borrowings for the year ended 31st March, 2020 was Rs. 31,722.41 Lakhs and Rs. 1,690.51 Lakhs respectively.

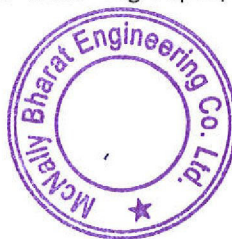
b. The Holding Company had also not recognised interest expense of Rs 9,216.88 Lakhs on Inter-Corporate Borrowings for the financial year ended 31st March, 2019.
5. The Group's financial performance has been adversely affected due to downturn of the infrastructure and core sector, working capital constraints and external factors beyond the Group's control and the Holding Company and one of the Subsidiary Company, McNally Sayaji Engineering Limited have not been able to meet their financial commitments /covenants to lenders and various other stakeholders. **The Holding Company and the Subsidiary Company have submitted their resolution proposals to the lenders for restructuring and the lenders have decided to have Techno Economic Viability (TEV) study of a Resolution plan submitted by Holding Company and the Subsidiary Company.** The Management is evaluating various options and hopeful that with the support of the lenders and on approval of the Resolution Plan, the Group will be able to generate sufficient cash flows through profitable operations to discharge its financial obligations. Hence, the Board of Directors of the Holding Company have decided to prepare the Consolidated Unaudited Financial Results on a going concern basis.



6. The Group had recognised Deferred Tax Assets amounting to Rs 57,940.49 Lakhs upto 31st March, 2019. The Group believes that based on the infusion of fresh funds coming to the Group with the lender's support on the debt restructuring proposals, there will be adequate future taxable profits available to the Group against which the Deferred Tax Assets can be utilised. However, the Group has not recognised further Deferred Tax Assets thereafter on prudent basis.
7. In earlier years, the Holding Company had pledged its investment with ICICI Bank Limited to the extent of 23,37,211 Equity Shares of its subsidiary company, McNally Sayaji Engineering Limited as security against Term Loan availed by the said subsidiary Company. In view of the continued defaults by the Subsidiary Company in repayment of term loan, ICICI Bank Limited vide its letter dated 27th November, 2020 has invoked the pledge created over these shares and adjusted Re. 1/- against the over dues of the Subsidiary Company. The Subsidiary Company has objected to such invocation vide its letter dated 15th December, 2020. Accordingly, the Holding Company has not made any adjustments to the carrying value of its investment in the Subsidiary Company.
8. The Holding Company has obtained the necessary approvals from the lender bank and the shareholders in terms of Section 197(17) of the Companies Act, 2013 in respect of the excess remuneration paid/payable to the Managing Director of the Holding Company.
9. The results of the Joint Venture of the Holding Company i.e. EMC MBE Contracting Company LLC whose carrying value in the Financial Results of the Holding Company is Rs. Nil (net of impairment) and has not been considered in the Consolidated Financial Results.
10. Project business is subject to quarter variations and each quarter's performance in isolation does not necessarily indicate full year's performance.
11. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

Date: 12th February, 2021

Place: Kolkata




(SRINIVASH SINGH)
MANAGING DIRECTOR
DIN- 00789624