

McNally Bharat Engineering Company Limited

CIN : L45202WB1961PLC025181
Corporate Office : Ecospace Campus 2B 11F/12
New Town Rajarhat North 24 Parganas Kolkata 700 160
T +91 33 30141111
E mbe.corp@mbecl.co.in W www.mcnallybharat.com
Registered Office : 4 Mangoe Lane Kolkata-700 001

June 30, 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 June 30, 2021

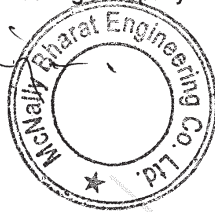
This is to inform you that the Board of Directors at its meeting held on even date has approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2021. In compliance with the provisions of Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations").

Please find enclosed herewith the aforesaid Financial Results, along with the Reports of the Statutory Auditors thereon and Statement of Impact of Audit Qualifications for Standalone and Consolidated Audit Reports with modified opinion.

Thanking You,

Yours Faithfully,
For McNally Bharat Engineering Company Limited


Rahul Banerjee
Company Secretary



Independent Auditor's Review Report on the Standalone audited Financial Results for the quarter and year ended 31st March, 2021

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 audited Financial Results of **MCNALLY BHARAT ENGINEERING COMPANY LIMITED** ("the Company") for the quarter and year ended 31st March, 2021 ("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 opinion**
 - a) **Non-Recognition of Interest Expense**
 - i) 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. 31,546.61 Lakhs and Rs. 190.80 Lakhs respectively for the year ended 31st March, 2021 (including Rs. 7,982.50 Lakhs and Rs.63.40 Lakhs interest expense on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). 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.



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".

ii) Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 4 above, the Statement of Standalone audited 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.

iii) 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. 5,003.58 Lakhs during the year ended 31st March, 2021 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.

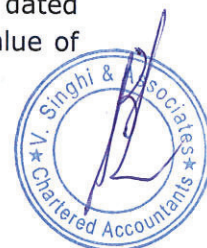
b) Recognition of Deferred Tax Assets

We draw attention to Note 7 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 recognized further deferred tax assets thereafter on prudent basis.

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

We draw attention to Note 9 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.



iv) 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.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related annual Standalone Financial Statements of the Company. The Company's Board of Directors are responsible for the preparation and presentation of these Standalone Financial Results that give a true and fair view of the loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with



them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Standalone Financial Results include the results for the quarter ended 31st March, 2021 being the derived figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were reviewed by us.

Our opinion is not modified in respect of these matters.

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



Place: Kolkata

Date: 30th June, 2021

UDIN: 21050051AAAAGL3354


(V.K. SINGHI)
Partner

Membership No. 050051

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGOE LANE, Kolkata 700 001
Web:www.mcnallybharat.com, Email id: mbecal@mbecl.co.in, Phone no: (033) 3014-1111
Statement of audited Standalone Financial Results for the year ended 31st March 2021

Particulars	Three months ended			Year ended	Year ended
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1 Revenue from operations					
(a) Net sales/ Income from operations	11,924.12	7,272.28	10,653.49	33,138.65	56,467.42
(b) Other operating income	69.56	32.66	86.53	139.68	292.65
Total income from operations	11,993.68	7,304.94	10,740.02	33,278.33	56,760.07
2 Other income	138.39	747.65	15.88	2,589.15	5,148.24
3 Total income (1+2)	12,132.07	8,052.59	10,755.90	35,867.48	61,908.31
4 Expenses					
(a) Cost of materials consumed	5,101.92	3,074.75	4,093.62	13,608.72	21,471.18
(b) Outsourcing expenses to job workers	3,007.47	3,307.92	2,736.17	12,280.65	20,184.99
(c) Employee benefits expense	1,212.07	1,254.32	1,758.61	4,559.99	7,131.29
(d) Finance costs	326.04	748.38	3,618.29	4,227.62	8,106.77
(e) Depreciation and amortization expense	124.89	161.08	221.84	673.90	1,005.34
(f) Other expenses	989.77	1,621.44	14,068.16	5,520.17	42,096.69
Total expenses	10,762.16	10,167.89	26,496.69	40,871.06	99,996.26
5 Profit/(Loss) before tax (3-4)	1,369.91	(2,115.30)	(15,740.79)	(5,003.58)	(38,087.95)
6 Tax expenses:					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	-	-	-	-	-
7 Profit/(Loss) for the period/year (5-6)	1,369.91	(2,115.30)	(15,740.79)	(5,003.58)	(38,087.95)
8 Other comprehensive income					
(a) Items that will not be reclassified to profit or loss	13.05	0.23	87.93	17.75	8.94
Total other comprehensive income (net of income tax)	13.05	0.23	87.93	17.75	8.94
9 Total comprehensive income for the period/year (7+8)	1,382.96	(2,115.08)	(15,652.86)	(4,985.83)	(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
11 Reserves excluding revaluation reserve	-	-	-	(13,776.18)	(7,572.53)
12 Earnings per share (of Rs. 10/- each) (not annualised):					
Basic	(1.36)	(1.00)	(7.39)	(2.36)	(17.97)
Diluted	(1.36)	(1.00)	(7.39)	(2.36)	(17.97)

Also refer accompanying notes to the financial results.



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McNally Bharat Engineering Company Limited
(All amounts are in Rs. Lakhs, unless otherwise stated)
Standalone Balance Sheet as at March 31, 2021

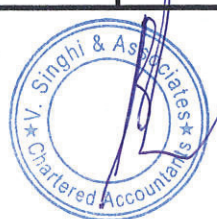
Particulars	As at March 31, 2021	As at March 31, 2020
ASSETS		
Non-current Assets		
Property, plant and equipment	2,635.69	3,169.99
Right to use assets	1,841.08	1,989.36
Capital work-in-progress	462.62	462.48
Other Intangible assets	47.32	48.28
Financial Assets		
i. Investments	18,054.37	18,026.55
ii. Other financial assets	2.12	12.99
Deferred tax assets (net)	51,706.60	51,706.60
Other non-current assets	1.83	2.98
Total Non-current Assets	74,751.63	75,419.22
Current Assets		
Inventories	293.00	526.86
Financial Assets		
i. Trade receivables	1,05,220.29	1,38,532.08
ii. Cash and cash equivalents	2,722.85	1,661.15
iii. Bank balances other than (ii)	58.24	107.94
iv. Loans receivables	1,391.80	1,442.01
v. Other financial assets	26,221.64	20,878.63
Current Tax Assets (net)	4,163.44	6,223.45
Other current assets	49,507.12	45,748.62
Total Current Assets	1,89,578.38	2,15,120.74
Total Assets	2,64,330.01	2,90,539.97
EQUITY AND LIABILITIES		
Equity		
Equity share capital	21,157.08	21,157.08
Other equity		
Compulsorily Convertible Preference Shares	-	-
Money received against share warrants	-	-
Reserves and surplus	(13,776.18)	(7,572.53)
Other reserves	-	-
Equity attributable to owners of McNally Bharat Engineering Company Limited	7,380.90	13,584.55
Total Equity	7,380.90	13,584.55
LIABILITIES		
Non-current Liabilities		
Financial Liabilities		
i. Borrowings	13,444.26	12,222.06
ii. Other financial liabilities	2,270.27	2,198.46
Other non-current liabilities		
Provisions	233.42	223.07
Deferred tax liabilities	-	-
Total Non-current Liabilities	15,947.95	14,643.59
Current Liabilities		
Financial Liabilities		
i. Borrowings	2,00,629.27	1,98,462.79
ii. Trade payables		
Total outstanding dues of micro enterprises and small enterprises	195.64	106.07
Total outstanding dues of creditors other than micro enterprises and small enterprises	22,387.35	22,527.17
iii. Other financial liabilities	12,507.98	13,755.62
Other current liabilities	5,188.08	27,335.84
Provisions	92.84	124.34
Current tax liabilities	-	-
Total Current Liabilities	2,41,001.16	2,62,311.83
Total Liabilities	2,56,949.11	2,76,955.42
Total Equity and Liabilities	2,64,330.01	2,90,539.97
Also refer accompanying notes to the financial results.		

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Standalone Statement of cash flows for the year ended March 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before income tax	(5,003.58)	(38,087.94)
Adjustments for:		
Depreciation	673.90	1,005.34
Finance Cost	4,227.62	8,106.77
Interest Income	(2,157.17)	(2,895.50)
Loss/(Profit) on Disposal of Fixed Assets (Net)	(21.73)	5.53
Provision for Bad & Doubtful Debts	-	18,102.08
Expected credit loss provided for/(written back)	634.93	3,497.70
Advance to vendor written off	-	5,022.07
Liability no longer required written back	(41.05)	(2,032.09)
Provision for Doubtful Debts against expenses recoverable	-	2,805.57
Provision for Future Foreseeable Losses in Construction Contracts	(757.51)	1,993.30
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	(26.76)	293.78
Net (gain)/loss on financial assets measured at fair value through profit or loss	(27.82)	3.74
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	32,847.90	9,123.61
(Increase)/Decrease in inventories	233.86	6,788.03
Increase/(Decrease) in trade payables	(220.92)	(24,173.36)
(Increase)/Decrease in other financial assets	(3,217.37)	12768.33
(Increase)/decrease in other non-current assets	1.14	18.93
(Increase)/decrease in other current assets	(3,758.50)	(9,246.41)
Increase/(decrease) in provisions	25.14	(441.93)
Increase/ (decrease) in other financial liabilities	525.19	(2,141.43)
Increase/ (decrease) in other liabilities	(22,145.93)	(9,803.62)
Cash generated from operations		
Income taxes (paid)/Refund	2,060.01	(658.62)
Net cash inflow / (outflow) from operating activities	3,851.36	(19,946.13)
Cash flows from investing activities		
Purchase of investments	-	-
Purchase of property, plant and equipment	(1.33)	(19.68)
Loans given during the year	50.21	
Proceeds from sale of property, plant and equipment	41.75	95.61
Deposits matured/(made) during the year	49.71	4,247.82
Interest received	6.51	599.00
Net cash inflow / (outflow) from investing activities	146.85	4,922.76
Cash flows from financing activities		
Proceeds from borrowings	2,164.48	18,010.05
Repayment of borrowings	-	(2,782.78)
Interest paid	(5,100.99)	(2,087.80)
Net cash inflow / (outflow) from financing activities	(2,936.51)	13,139.47
Net increase / (decrease) in cash and cash equivalents	1,061.69	(1,883.90)
Cash and cash equivalents at the beginning of the financial year	1,661.15	3,545.04
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at end of the year	2,722.85	1,661.15
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (note 6(c))	2,722.85	1,661.15
Balances per statement of cash flows	2,722.85	1,661.15
Kolkata, June 30, 2021		



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McNally Bharat Engineering Company Limited

Notes to the Statement of Standalone audited Financial Results for the quarter and period ended 31st March , 2021

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 30th June, 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. 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 of Rs. 31546.61 Lakhs on bank borrowings and Rs. 190.80 Lakhs on Inter-Corporate borrowings for the period ended 31st March, 2021 (including Rs. 7982.50 Lakhs and Rs. 63.40 Lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings during the year ended 31st March, 2020 was Rs. 29,044.74 Lakhs and Rs. 1,059.48 Lakhs respectively.
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 done the Techno Economic Viability (TEV) study of a Resolution plan submitted by company. The Lenders are actively considering the resolution plan and have appointed/would be appointing various agencies to evaluate the resolution plan as decided in the last consortium meeting held on 24th June 2021. 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 audited Financial Results on a going concern basis.
6. The World Health Organization (WHO) declared outbreak of COVID-19, a global pandemic on 11th March, 2020. Consequent to this, Government of India (GOI) declared a national lockdown on 24th March, 2020 which got extended from time to time. The COVID- 19 is significantly



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impacting business operations of the Company by way of interruption in the project activities, supply chain disruption, limited availability of human resource, etc. The Company is closely monitoring the situation and the operations are being resumed in a phased manner considering directives from the GOI. The Company has also taken various cost cutting measures and has evaluated its liquidity position and recoverability and carrying value of its Non-Current & Current Assets and has concluded that no material adjustments are required at this stage.

7. 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.
8. Trade Receivables, Other Financial Assets and Other Current Assets are subject to confirmation and reconciliation from respective parties and consequential reconciliation and adjustments arising therefrom, if any. The management, however, does not expect any material variation. Management is also hopeful for recovery/realisation of these assets in the normal course of business.
9. McNally Bharat Engineering Company Limited had pledged its investment to the extent of 23,37,211 Equity Shares as security against the term loan facilities granted to McNally Sayaji Engineering Ltd.(A subsidiary of MBE) from ICICI Bank Limited. During the quarter ended 31st December, 2020, ICICI Bank Limited has invoked pledge created over these shares for a transfer value of Re. 1 adjusted towards the over dues amount of the Company. The Company has objected the invocation of the said share pledge and undervalued transfer. Accordingly, the Company has not made any adjustment to the carrying value of the loan as on 31st March , 2021.
10. Project business is subject to quarterly variations and one 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 : 30th June , 2021




Place: Kolkata

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**(SRINIVASH SINGH)
MANAGING DIRECTOR
DIN- 00789624**

Statement on Impact of Audit Qualifications on Standalone Financial Results for the Financial Year ended March 31, 2021
 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1 Total income	35,867.48	Not adjusted [Refer II(a) below]
	2 Total Expenditure	40,871.06	Not adjusted [Refer II(a) below]
	3 Net Profit/(Loss)	-5,003.58	Not adjusted [Refer II(a) below]
	4 Earnings Per Share	-2.36	Not adjusted [Refer II(a) below]
	5 Total Assets	2,64,330.01	Not adjusted [Refer II(a) below]
	6 Total Liabilities	2,56,949.11	Not adjusted [Refer II(a) below]
	7 Net Worth	7,380.90	Not adjusted [Refer II(a) below]
	8 Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):		
a. Details of Audit Qualification:	<p>a) Non-Recognition of Interest Expense</p> <p>i) 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. 31,546.61 Lakhs and Rs. 190.80 Lakhs respectively for the year ended 31st March, 2021 (including Rs. 7,982.50 Lakhs and Rs.63.40 Lakhs interest expense on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). 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.</p> <p>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".</p> <p>ii) Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 4 above, the Statement of Standalone audited 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.</p>		
b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Adverse Opinion		
c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive		
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	<p>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 of Rs. 31546.61 Lakhs on bank borrowings and Rs. 190.80 Lakhs on Inter-Corporate borrowings for the period ended 31st March, 2021 (including Rs. 7982.50 Lakhs and Rs. 63.40 Lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings during the year ended 31st March, 2020 was Rs. 29,044.74 Lakhs and Rs. 1,059.48 Lakhs respectively.</p>		
e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
(i) Management's estimation on the impact of audit qualification:	Not applicable		
(ii) If management is unable to estimate the impact, reasons for the same:	Not applicable		
(iii) Auditors' Comments on (i) or (ii) above:	Not applicable		
Signatories:			
III	• Managing Director	 SRINIVASH SINGH <small>Digitally signed by SRINIVASH SINGH DN: cn=Srinivash Singh, o=V. Singhi & Associates, ou=V. Singhi & Associates, email=srinivash.singh@vsa.co.in, c=IN</small>	
	• CFO	 BRIJ MOHAN SONI <small>Digitally signed by BRIJ MOHAN SONI DN: cn=Brij Mohan Soni, o=V. Singhi & Associates, ou=V. Singhi & Associates, email=brij.mohan.soni@vsa.co.in, c=IN</small>	
	• Audit Committee Chairman	 ASIM KUMAR BARMAN <small>Digitally signed by ASIM KUMAR BARMAN DN: cn=Asim Kumar Barmán, o=V. Singhi & Associates, ou=V. Singhi & Associates, email=asim.kumar.barmán@vsa.co.in, c=IN</small>	
	• Statutory Auditor		
Place: Kolkata			
Date: June 30, 2021			



Independent Auditor's Review Report on the Consolidated audited Financial Results for the quarter and year ended 31st March, 2021

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 audited 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 year ended 31st March, 2021 ("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. 35615.61 Lakhs and Rs. 819.80 Lakhs respectively for the year ended 31st March, 2021 (including Rs.9638.50 Lakhs and Rs.217.60 Lakhs interest expense on Bank Borrowings and Inter-Corporate Borrowings for the quarter ended 31st March, 2021) 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 as referred in Note 4 to the Statement.

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 audited 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 financial performance has been adversely effected 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 recognized further deferred tax assets thereafter on prudent basis.

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

We draw attention to Note 9 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 Coal & Mineral Technology India Private Limited (Wholly Owned Subsidiary of McNally Sayaji Engineering Limited)

Join Ventures of Holding Company

- EMC MBE Contracting Company LLC ,
- Mcnally-Troxex*
- Mcnally –AML *
- Mcnally –Trolex-Kilburn*

*Joint Venture agreement executed during the year.



8. Other Matters

The Consolidated Financial Results include the audited Consolidated Financial Results of one Subsidiary whose Consolidated Financial Results reflect Group's share of total assets of Rs. 41661 Lakhs as at 31st March, 2021, Group's share of total revenue of Rs. 17,772 Lakhs for the financial year ended 31st March, 2021 and Group's share of total net profit of Rs. 657 Lakhs for the financial year ended 31st March, 2021, as considered in the Consolidated Financial Results, which have been audited by us. Our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on our report and the audit procedures performed by us.

The Consolidated Financial Results include the unaudited Financial Information/Results of two foreign subsidiaries and one Indian subsidiary whose Interim Financial information/results reflect Group's share of total assets of Rs. 139.39 Lakhs as at 31st March, 2021, Group's share of total revenue of Rs. Nil for the financial year ended 31st March, 2021 and Group's share of total net loss of Rs. 3.64 Lakhs for the financial year ended 31st March, 2021, as considered in the Consolidated Financial Results. These unaudited Financial Information/Results have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, 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/Results. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim 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, Mcnally-Trolex , Mcnally –AML and Mcnally –Trolex 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.



Place: Kolkata

Date: 30th June, 2021

UDIN: 21050051AAAAGM3847

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


(V.K. SINGHI)
Partner

Membership No. 050051

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGOE LANE, Kolkata 700 001
Web:www.mcnallybharat.com, Email id: mbecal@mbecl.co.in, Phone no: (033) 6628-1213

Statement of Consolidated Financial Results for the year ended 31st March, 2021

Particulars	(Rs. in lakhs)	
	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	14,897.69	16,319.67
Right to use assets	1,841.09	1,989.36
Capital work-in-progress	483.51	482.37
Investment Properties	358.00	361.42
Goodwill	1,162.64	1,162.64
Other Intangible assets	48.33	50.47
Financial assets		
i. Investments	120.70	92.87
ii. Trade receivables	622.07	489.63
iii. Other financial assets	480.08	516.84
Deferred tax assets	57,940.49	57,940.49
Other non-current assets	149.41	94.15
Total non-current assets	78,104.01	79,499.91
Current assets		
Inventories	9,449.35	11,298.51
Financial assets		
i. Trade receivables	1,08,738.97	1,43,376.91
ii. Cash and cash equivalents	3,823.23	2,198.64
iii. Bank balances other than cash and cash equivalents above	365.72	384.51
iv. Loans	1,430.18	1,442.01
v. Other financial assets	26,625.64	21,605.42
Current tax assets(net)	4,429.91	6,425.43
Other current assets	46,855.47	42,553.22
Total current assets	2,01,718.47	2,29,284.65
Total assets	2,79,822.48	3,08,784.56
EQUITY AND LIABILITIES		
Equity		
Equity share capital	21,157.08	21,157.08
Other equity		
Reserves and surplus	(24,602.10)	(20,356.81)
Equity attributable to owners of McNally Bharat Engineering Company Limited	(3,445.02)	800.27
Non-controlling interests	740.49	1,895.31
Total equity	(2,704.53)	2,695.58
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
i. Borrowings	13,447.67	12,226.80
ii. Trade payables	0.68	0.68
iii. Other financial liabilities	2,482.10	2,420.85
Provisions	398.03	610.56
Other non-current liabilities	394.36	145.10
Total non-current liabilities	16,722.84	15,403.99
Current liabilities		
Financial Liabilities		
i. Borrowings	2,18,719.46	2,18,129.39
ii. Trade payables	26,469.69	26,475.48
iii. Other financial liabilities	17,603.97	18,938.83
Other current liabilities	2,745.05	26,814.77
Provisions	266.00	326.52
Total current liabilities	2,65,804.17	2,90,684.99
Total liabilities	2,82,527.01	3,06,088.98
Total equity and liabilities	2,79,822.48	3,08,784.56



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Consolidated Statement of cash flows for the year ended March 31, 2021

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before income tax	(4,351.22)	(38,769.04)
Adjustments for		
Depreciation	1,624.90	1,811.34
Finance Cost	4,616.62	8,879.77
Interest Income	(2,181.17)	(2,991.50)
Loss/(Profit) on Disposal of Fixed Assets (Net)	(21.73)	5.53
Provision for Bad & Doubtful Debts	151.00	18,431.08
Bad Debts Written Off	-	1.00
Expected credit loss provided for/(written back)	634.93	3,497.70
Advance to vendor written off	-	5,049.07
Liability no longer required written back	(140.05)	(2,418.09)
Provision No Longer Required Written Back	(26.00)	-
Provision for Warranty	-	17.00
Provision for Doubtful Debts against expenses recoverable	-	2,805.57
Provision for Future Foreseeable Losses in Construction Contracts	(757.51)	1,993.30
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	(23.76)	298.78
Interest Income on unwinding on revenue deferred	-	30.00
Deferred Retention Income	-	(36.00)
Net (gain)/loss on financial assets measured at fair value through profit or loss	(27.82)	3.74
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	33,409.41	9,860.59
(Increase)/Decrease in inventories	1,848.86	6,799.03
Increase/(Decrease) in trade payables	(1,704.88)	(24,360.33)
Increase / (Decrease) in Employee Benefit Obligation	12.00	(276.00)
(Increase)/Decrease in other financial assets	(3,217.37)	12,768.33
(Increase)/decrease in other non-current assets	1.14	18.93
(Increase)/decrease in other current assets	(4,249.46)	(9,246.41)
Increase/(decrease) in provisions	25.14	(441.93)
Increase/ (decrease) in other financial liabilities	925.46	(2,141.43)
Increase/ (decrease) in other liabilities	(22,120.77)	(9,803.62)
Cash generated from operations		
Income taxes (paid)/Refund	1,996.01	(437.62)
Net cash inflow / (outflow) from operating activities	6,423.75	(18,651.21)
Cash flows from investing activities		
Purchase of property, plant and equipment	(65.33)	(317.68)
Loans given during the year	50.21	-
Proceeds from sale of property, plant and equipment	65.75	96.61
Deposits matured/(made) during the year	(26.29)	4,247.82
Interest received	6.51	695.00
Net cash inflow / (outflow) from investing activities	30.85	4,721.76
Cash flows from financing activities		
Proceeds from borrowings	2,164.48	18,010.05
Repayment of borrowings	129.00	(2,947.78)
Transaction with non controlling interest	-	(120.78)
Interest paid	(5,489.99)	(2,866.80)
Net increase in Cash Credit Facilities including WCDL	(1,633.00)	(67.00)
Net cash inflow / (outflow) from financing activities	(4,829.51)	12,007.70
Net increase / (decrease) in cash and cash equivalents	1,625.08	(1,921.75)
Cash and cash equivalents at the beginning of the financial year	2,198.05	4,120.65
Effects of exchange rate changes on cash and cash equivalents	-	(0.27)
Cash and cash equivalents at end of the year	3,823.13	2,198.63



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McNally Bharat Engineering Company Limited

Notes to the Statement of Consolidated audited Financial Results for the quarter and period ended 31st March, 2021

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 30th June, 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. The Holding Company and one of the Subsidiary Company, McNally Sayaji Engineering Limited has 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 has not recognised interest expense on Bank borrowings and Inter-Corporate Borrowings amounting to Rs. 35,615.61 Lakhs and Rs. 819.90 Lakhs respectively for the period ended 31st March, 2021 (including Rs. 1735.80 Lakhs and Rs. 217.40 Lakhs interest expense on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). 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.
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 has not been able to meet its 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. In case of the holding Company the Lenders are actively considering the resolution plan and have appointed/would be appointing various agencies to evaluate the resolution plan as decided in the last consortium meeting held on 24th June 2021. 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 audited 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



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Group with the lenders 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 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 ,Mcnally-Troxex , Mcnally –AML and Mcnally –Trolex-Kilburn those 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.



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(SRINIVASH SINGH)
MANAGING DIRECTOR
DIN- 00789624

Date: 30th June , 2021

Place: Kolkata

Statement on Impact of Audit Qualifications on Consolidated Financial Results for the Financial Year ended March 31, 2021

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

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications)
I			
1	Total Income	53,185.48	Not adjusted [Refer II(a) below]
2	Total Expenditure	57,535.71	Not adjusted [Refer II(a) below]
3	Net Profit/(Loss)	-4,350.23	Not adjusted [Refer II(a) below]
4	Earnings Per Share	-2.06	Not adjusted [Refer II(a) below]
5	Total Assets	2,79,822.48	Not adjusted [Refer II(a) below]
6	Total Liabilities	2,82,527.01	Not adjusted [Refer II(a) below]
7	Net Worth	-2,704.53	Not adjusted [Refer II(a) below]
8	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):		
	a. Details of Audit Qualification:	<p>a) Non-recognition of Interest Expense</p> <p>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. 35615.61 Lakhs and Rs. 819.80 Lakhs respectively for the year ended 31st March, 2021 (including Rs.9638.50 Lakhs and Rs.217.60 Lakhs interest expense on Bank Borrowings and Inter-Corporate Borrowings for the quarter ended 31st March, 2021) 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 as referred in Note 4 to the Statement.</p> <p>This constitutes a material departure from the requirements of Indian Accounting Standard 109 "Financial Instruments".</p> <p>5. Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 4 above, the Statement of audited 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.</p>	
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Adverse Opinion	
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	<p>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 of Rs. 31546.61 Lakhs on bank borrowings and Rs. 190.80 Lakhs on Inter-Corporate borrowings for the period ended 31st March, 2021 (including Rs. 7982.50 Lakhs and Rs. 63.40 Lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings during the year ended 31st March, 2020 was Rs. 29,044.74 Lakhs and Rs. 1,059.48 Lakhs respectively.</p>	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i) Management's estimation on the impact of audit qualification:	Not applicable	
	(ii) If management is unable to estimate the impact, reasons for the same:	Not applicable	
	(iii) Auditors' Comments on (i) or (ii) above:	Not applicable	
	Signatories:		
III	• Managing Director	<p>SRINIVAS H SINGH</p> <p><small>Digitally signed by SRINIVAS H SINGH DN: cn=Srinivas H Singh, o=SRINIVAS H SINGH, email=Srinivas.H.Singh@srinivashsingh.com, c=IN Date: 2021.06.30 15:15:35 +05'30'</small></p>	
	• CFO	<p>BRIJ MOHAN SONI</p> <p><small>Digitally signed by BRIJ MOHAN SONI DN: cn=Brij Mohan Soni, o=BRIJ MOHAN SONI, email=Brij.Mohan.Soni@brijmohan.com, c=IN Date: 2021.06.30 15:15:35 +05'30'</small></p>	
	• Audit Committee Chairman	<p>ASIM KUMAR BARMAN</p> <p><small>Digitally signed by ASIM KUMAR BARMAN DN: cn=Asim Kumar Barman, o=ASIM KUMAR BARMAN, email=Asim.Kumar.Barman@asimkumar.com, c=IN Date: 2021.06.30 15:15:35 +05'30'</small></p>	
	• Statutory Auditor		
	Place: Kolkata		
	Date: June 30, 2021		

