

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

September 07, 2020

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 September 07, 2020

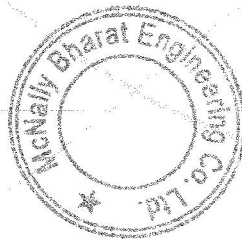
This is to inform you that the Board of Directors at its meeting held on even date has inter-alia:

- i). Approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 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.
- ii) Approved the appointment of Mr Brij Mohan Soni as the Chief Financial Officer of the Company with effect from September 07, 2020.
- iii) Appointed M/s. A. K. Labh & Co., Company Secretaries, as the Secretarial Auditor of the Company for the financial year 2020-21.
- iv) Appointed M/s. A. Bhattacharya & Associates, Cost Accountants, as the Cost Auditor of the Company for the financial year 2020-21.

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 ended 30th June, 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 ended 30th June, 2020 (“the Statement”).
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, 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

The Company has not recognised interest expense on Bank Borrowings amounting to Rs. 7,894.93 Lakhs for the quarter ended 30th June, 2020 (Rs. 7,550.70 Lakhs for the quarter ended 30th June, 2019 and Rs. 29,044.74 Lakhs for the year ended 31st March, 2020) and Rs. 63.60 Lakhs for the quarter ended 30th June, 2020 (Rs. 65.71 Lakhs for the quarter ended 30th June, 2019 and Rs. 1,059.48 Lakhs for the year ended 31st March, 2020) on Inter-Corporate Borrowings as referred in Note 4 to the Statement. As a result, finance costs and total comprehensive loss for the quarter ended 30th June, 2020 are understated to that extent. In addition to the above, 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.

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. 2,704.75 Lakhs during the quarter ended 30th June, 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. These events and conditions indicate a material uncertainty which may cast a 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 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) Management's assessment of impact of COVID-19

We draw attention to Note 6 to the Statement which describes the management's assessment of impact of COVID-19, a global pandemic, on the financial position of the Company.

c) 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 recognised further deferred tax assets thereafter on prudent basis.

d) Payment of Managerial Remuneration

We draw attention to Note 8 to the Statement regarding managerial remuneration amounting to Rs. 28.41 Lakhs for the quarter ended 30th June, 2020 (Rs. 65.80 Lakhs for the period from 14th December, 2019 to 31st March, 2020) paid/payable to the Managing Director for which the Company is in the process of obtaining necessary approvals from the lender banks and shareholders of the Company to comply with the provisions of section 197(17) of the Companies Act, 2013.

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

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

VINOD
KUMAR
SINGHI



Digitally signed
by VINOD KUMAR
SINGHI
Date: 2020.09.07
15:59:18 +05'30'

(V. K. SINGHI)
Partner

Membership No. 050051
UDIN: 20050051AAAAFB3155

Place: Kolkata

Date: 7th September, 2020

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGOE LANE, Kolkata 700 001
Web:www.mcnallybharat.com, Email id: mbecal@mbecol.co.in, Phone no: (033) 6628-1111
Statement of Standalone Unaudited Financial Results for the quarter ended 30th June, 2020

(Rs. in Lakhs, unless otherwise stated)

Particulars	For the Quarter ended			For the Year ended
	30th June 2020 (Unaudited)	31st March 2020 (Audited)	30th June 2019 (Unaudited)	31st March 2020 (Audited)
1 Revenue from Operations				
(a) Net Sales/ Income from Operations	7,615.23	10,653.49	17,806.44	56,467.42
(b) Other Operating Income	5.76	86.53	83.20	292.65
Total Income from Operations	7,620.99	10,740.02	17,889.64	56,760.07
2 Other Income	697.03	15.88	3,468.07	5,148.24
3 Total Income (1+2)	8,318.02	10,755.90	21,357.71	61,908.31
4 Expenses				
(a) Cost of Materials Consumed	3,769.43	4,093.62	7,680.24	21,471.18
(b) Outsourcing Expenses to Job Workers	2,653.56	2,736.17	5,890.66	20,184.99
(c) Employee Benefits Expense	947.66	1,758.61	2,064.75	7,131.29
(d) Finance Costs	1,703.11	3,618.29	3,054.05	8,106.77
(e) Depreciation and Amortization Expense	212.98	221.84	240.68	1,005.34
(f) Other Expenses	1,736.03	14,068.16	5,579.22	42,096.69
Total Expenses	11,022.77	26,496.69	24,509.60	99,996.26
5 Profit/(Loss) before tax (3-4)	(2,704.75)	(15,740.79)	(3,151.89)	(38,087.95)
6 Tax Expenses:				
(a) Current Tax	-	-	-	-
(b) Deferred Tax	-	-	-	-
7 Profit/(Loss) for the period/year (5-6)	(2,704.75)	(15,740.79)	(3,151.89)	(38,087.95)
8 Other Comprehensive Income				
(a) Items that will not be reclassified to Profit or Loss	2.24	87.93	(26.33)	8.94
Total Other Comprehensive Income	2.24	87.93	(26.33)	8.94
9 Total Comprehensive Income for the period/year (7+8)	(2,702.51)	(15,652.86)	(3,178.22)	(38,079.01)
10 Paid up Equity Share Capital (Face value of the Share Rs.10 each)	21,157.08	21,157.08	17,215.18	21,157.08
11 Other Equity excluding Revaluation Reserve	-	-	-	(7,572.53)
12 Earnings Per Share (of Rs. 10/- each) (not annualised):				
Basic	(1.28)	(7.39)	(1.50)	(18.00)
Diluted	(1.28)	(7.39)	(1.50)	(18.00)

Also refer accompanying notes to the Standalone Unaudited Financial Results.

VINOD
KUMAR
R
SINGHI

Digitally signed by
VINOD KUMAR
SINGHI
Date:
2020.09.07
15:56:59
+05'30'

ASIM
KUMAR
BARMAN

Digitally signed by ASIM
KUMAR BARMAN
DN: c=IN, o=Personal,
postalCode=700091, st=WEST
BENGAL,
serialNumber=@965630220d
017e6d5026c91166a94878d,
#f49776c208152011c45ab7,
cn=ASIM KUMAR BARMAN
Date: 2020.09.07 14:30:30
+05'30'

McNally Bharat Engineering Company Limited

Notes to the Statement of Standalone Unaudited Financial Results for the quarter ended 30th June, 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 7th September, 2020.
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 amounting to Rs. 7,894.93 Lakhs for the quarter ended 30th June, 2020 (Rs. 7,550.70 Lakhs for the quarter ended 30th June, 2019 and Rs. 29,044.74 Lakhs for the year ended 31st March, 2020) and Rs. 63.60 Lakhs for the quarter ended 30th June, 2020 (Rs. 65.71 Lakhs for the quarter ended 30th June, 2019 and Rs. 1,059.48 Lakhs for the year ended 31st March, 2020) on Inter-Corporate Borrowings.

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 suggested the improvement in proposal. 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 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 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 considered 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. The Company has approached the lender banks for necessary approval in terms of Section 197(17) of the Companies Act, 2013 in respect of the waiver of recovery of excess remuneration paid/payable to the Managing Director of the Company amounting to Rs. 28.41 lakhs for the quarter ended 30th June, 2020 (Rs 65.80 lakhs for the period from 14th December, 2019 to 31st March, 2020). Thereafter necessary approval will be obtained from the shareholders of the Company to comply with the provisions of Section 197(17) of the Companies Act, 2013.
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.

ASIM
KUMAR
BARMAN

(ASIM KUMAR BARMAN)

DIRECTOR

DIN- 02373956

Date : 7th September, 2020

Place: Kolkata

VINOD
KUMAR
SINGHI

Digitally signed
by VINOD
KUMAR SINGHI
Date: 2020.09.07
15:57:39 +05'30'

Independent Auditor's Review Report on the Consolidated Unaudited Financial Results for the quarter ended 30th June, 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 ended 30th June, 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, 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 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 Adverse Conclusion

The Holding Company and one of its Subsidiary Company, McNally Sayaji Engineering Limited has not recognised interest expense on Bank borrowings amounting to Rs. 8,684.93 Lakhs (Rs. 7,947.47 Lakhs for the quarter ended 30th June, 2019 and Rs. 31,722.41 Lakhs for the year ended 31st March, 2020) and Rs. 219.60 Lakhs (Rs. 223.71 Lakhs for the quarter ended 30th June, 2019 and Rs. 1,690.51 Lakhs for the year ended 31st March, 2020) on Inter-Corporate Borrowings for the quarter ended 30th June, 2020 as referred in Note 4 to the Statement. As a result, finance costs and total comprehensive loss for the quarter ended 30th June, 2020 are understated to that extent. 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.

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. 3,067.19 Lakhs during the quarter ended 30th June, 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. 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 solely dependent on the acceptance of the debt restructuring proposal of the Holding Company. Based on the Holding Company's and Subsidiary Company's Board of Directors' assessment of the successful outcome of the restructuring proposal, this Statement has been prepared on going concern basis.

b) Management's assessment of impact of COVID-19

We draw attention to Note 6 to the Statement which describes the management's assessment of impact of COVID-19, a global pandemic, on the financial position of the Group.

c) Recognition of Deferred Tax Assets

We draw attention to Note 7 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.

d) Payment of Managerial Remuneration

We draw attention to Note 8 to the Statement regarding managerial remuneration amounting to Rs. 28.41 Lakhs (Rs. 65.80 Lakhs for the period from 14th December, 2019 to 31st March, 2020) paid/payable to the Managing Director of the Holding Company for the quarter ended 30th June, 2020 for which the Holding Company is in the process of obtaining necessary approvals from the lender banks and shareholders of the Holding Company to comply with the provisions of section 197(17) of the Companies Act, 2013.

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. 2,568.45 Lakhs and total comprehensive loss of Rs. 373.45 Lakhs as considered in the Statement for the quarter months ended 30th June, 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. 0.01 Lakhs as considered in the Statement for the quarter ended 30th June, 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.

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.

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

VINOD
KUMAR
SINGHI

Digitally signed
by VINOD
KUMAR SINGHI
Date: 2020.09.07
15:53:31 +05'30'

(V. K. SINGHI)
Partner

Membership No. 050051
UDIN:20050051AAAFC5545

Place: Kolkata

Date: 7th September, 2020

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGOE LANE, Kolkata 700 001
Website:www.mcnallybharat.com, Email id: mbecal@mbecl.co.in, Phone no: (033) 6628-1213
Statement of Consolidated Unaudited Financial Results for the quarter ended 30th June, 2020

(Rs. in Lakhs, unless otherwise stated)

Particulars	For The Quarter ended			For The Year ended
	30th June 2020	31st March 2020	30th June 2019	31st March 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Revenue from operations	10,495.25	13,707.64	22,200.39	73,004.67
2 Other Income	744.78	543.10	3,816.10	6,213.46
3 Total Income (1+2)	11,240.03	14,250.74	26,016.49	79,218.13
4 Expenses				
(a) Cost of Materials Consumed	4,572.70	5,384.70	10,043.98	29,353.06
(b) Changes in Inventories of Work-In-Progress and Finished Goods	685.20	130.83	(121.76)	455.83
(c) Outsourcing Expenses to Job Workers	2,666.53	2,580.04	5,788.43	19,708.72
(d) Employee Benefits Expense	1,573.07	2,346.00	2,869.76	10,345.68
(e) Finance Costs	1,788.42	3,775.56	3,428.50	8,880.04
(f) Depreciation and Amortisation Expense	523.50	445.57	477.56	1,811.07
(g) Other Expenses	2,497.80	15,875.70	6,788.13	47,432.77
Total Expenses	14,307.22	30,538.40	29,274.60	1,17,987.17
5 Profit / (Loss) before tax (3-4)	(3,067.19)	(16,287.66)	(3,258.11)	(38,769.04)
6 Tax Expenses:				
(a) Current Tax	-	-	-	-
(b) Provision Written Back	-	-	-	(25.22)
(c) Deferred Tax	-	-	-	-
7 Profit / (Loss) for the period/year (5-6)	(3,067.19)	(16,287.66)	(3,258.11)	(38,743.82)
8 Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss	(12.77)	113.32	(56.27)	(56.67)
(b) Income tax relating to these items	3.90	-	0.32	14.90
Total Other Comprehensive Income (net of income tax)	(8.87)	113.32	(55.95)	(41.77)
10 Total Comprehensive Income for the period/year (7+8)	(3,076.06)	(16,174.34)	(3,314.06)	(38,785.59)
11 Profit/(Loss) attributable to:				
Owners of MBECL	(3,000.36)	(16,328.90)	(3,238.73)	(38,623.04)
Non-Controlling interest	(66.83)	41.24	(19.38)	(120.78)
Total	(3,067.18)	(16,287.66)	(3,258.11)	(38,743.82)
12 Other Comprehensive Income attributable to :				
Owners of MBECL	(6.84)	126.17	(50.49)	(32.85)
Non-Controlling interest	(2.03)	(12.85)	(5.46)	(8.92)
Total	(8.87)	113.32	(55.95)	(41.77)
13 Total Comprehensive Income attributable to :				
Owners of MBECL	(3,007.19)	(16,202.73)	(3,289.22)	(38,655.89)
Non-Controlling interest	(68.85)	28.39	(24.84)	(129.70)
Total	(3,076.05)	(16,174.34)	(3,314.06)	(38,785.59)
14 Paid up Equity Share Capital (Face Value Rs.10 each)	21,157.08	21,157.08	17,215.18	21,157.08
15 Other Equity excluding Revaluation Reserve	-	-	-	(20,356.81)
16 Earnings Per Share (Rs. 10/- each) (not annualised):				
Basic	(1.45)	(7.54)	(1.55)	(18.22)
Diluted	(1.45)	(7.54)	(1.55)	(18.22)

Also refer accompanying notes to the Consolidated Unaudited Financial Results.

VINOD
KUMAR
SINGHI

Digitally signed
by VINOD
KUMAR SINGHI
Date:
2020.06.07
13:55:06 +05'30'

ASIM
KUMAR
BARMAN

McNally Bharat Engineering Company Limited

Notes to the Statement of Consolidated Unaudited Financial Results for the quarter ended 30th June, 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 4th September, 2020.
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 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 Company has not recognised interest expense on Bank borrowings amounting to Rs. 8,684.93 Lakhs (Rs. 7,947.47 Lakhs for the quarter ended 30th June, 2019 and Rs. 31,722.41 Lakhs for the year ended 31st March, 2020) and Rs. 219.60 Lakhs (Rs. 223.71 Lakhs for the quarter ended 30th June, 2019 and Rs. 1,690.51 Lakhs for the year ended 31st March, 2020) on Inter-Corporate Borrowings.

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 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 suggested the improvement in proposal. 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.

VINOD
KUMAR
SINGHI

Digitally signed
by VINOD
KUMAR SINGHI
Date: 2020.09.07
15:55:32 +05'30'

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 impacting business operations of the Group by way of interruption in the project activities, supply chain disruption, limited availability of human resource, etc. The Group is closely monitoring the situation and the operations are being resumed in a phased manner considering directives from the GOI. The Group 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 considered that no material adjustments are required at this stage.
7. 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 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.
8. The Holding Company has approached the lender banks for necessary approval in terms of Section 197(17) of the Companies Act, 2013 in respect of the waiver of recovery of excess remuneration paid/payable to the Managing Director of the Holding Company amounting to Rs 28.41 lakhs for the quarter ended 30th June, 2020 (Rs. 65.80 Lakhs for the period 14th December, 2019 to 31st March, 2020). Thereafter necessary approval will be obtained from the shareholders of the Holding Company to comply with the provisions of Section 197(17) of the Companies Act, 2013.
9. Project business is subject to quarter variations and each 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.

ASIM
KUMAR
BARMAN

Digitally signed by ASIM KUMAR
BARMAN
DN: cn=, o=Personal,
postalCode=700091, st=WEST
BENGAL
serialNumber=8656383230281134
c=IN, email=asimkumar@700091944514
vc2.3491.52291.1.45467, ou=ASIM
KUMAR BARMAN
Date: 2020.09.07 15:03:29 +05'30'

(ASIM KUMAR BARMAN)

DIRECTOR

DIN- 02373956

Date: 7th September, 2020

Place: Kolkata

VINOD
KUMAR
SINGHI

Digitally signed by
VINOD KUMAR
SINGHI
Date: 2020.09.07
15:56:03 +05'30'