

McNally Bharat Engineering Company Limited

CIN: L45202WB1961PLC025181

Corporate Office: Ecospace Campus 2B 11F/12

New Town Rajarhat North 24 Parganas Kolkata 700 160

Telephone +91 3344591111

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

Registered Office: 4 Mangoe Lane Kolkata-700001

10th November 2023

The National Stock Exchange of India Limited

Exchange Plaza, 5th floor

Plot # C/1, 'G' Block

Bandra Kurla Complex, Bandra (East)

Mumbai – 400 051

BSE Limited

Corporate Relations Department

1st Floor, New Trading Ring, Rotunda Building

Phiroze Jeejeebhoy Towers, Dalal Street, Fort

Mumbai – 400 001

Dear Sir,

Sub: Outcome of Meeting for consideration of Unaudited Financial Results for the Second Quarter and Half-year ended 30th September 2023 (“the Results”)

Scrip Code/Symbol: 532629/MBECL

We refer to our Intimation on 26th October 2023 regarding Meeting of the Resolution Professional (RP) with the suspended Board of Directors of the Company to be scheduled on 10th November 2023. The RP and the Directors having met today, approved of the Unaudited Standalone and Consolidated Financial Results of the Company for the second quarter and half year ended 30th September 2023 (the “Results”) and authorized Mr. Asim Kumar Barman (DIN: 02373956), Independent Director and Chairman-Audit Committee to sign the Results.

The Board meeting commenced at **12.30 P.M.** and concluded at about **04.15 P.M.**

Enclosed herewith:

- (1) the Results, duly signed by Mr. Ravi Sethia, the Resolution Professional and Mr. Asim Kumar Barman (DIN: 02373956), Independent Director; and the
- (2) Limited Review Report by V. Singhi & Associates, Statutory Auditors, on the Results;
- (3) Certified true copy of Board Resolution dated 10th November 2023 authorizing the Mr. Asim Kumar Barman (DIN: 02373956), Independent Director, to sign the Results.

[McNally Bharat Engineering Company Limited is under Corporate Insolvency Resolution Process as per provisions of the Insolvency and Bankruptcy Code, 2016. Its affairs, business, and assets are being managed by the Resolution Professional, Mr. Ravi Sethia, appointed by the Kolkata Bench of the Hon'ble National Company Law Tribunal vide Order dated 26 August 2022 (Order published on 2 September 2022) under the provisions of the Code.]

V. SINGHI & ASSOCIATES

Chartered Accountants

Four Mangoe Lane

Surendra Mohan Ghosh Sarani,
Ground Floor, Kolkata – 700 001

Phone : +91 33 2210 1125/26

E-mail : kolkata@vsinghi.com

Website : www.vsinghi.in

Independent Auditor's Report on Limited Review of the Unaudited Standalone Financial Results for the quarter and half year ended 30th September, 2023 of McNally Bharat Engineering Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report

The Resolution Professional of

McNally Bharat Engineering Company Limited

Four Mangoe Lane, Surendra Mohan Ghosh Sarani

Kolkata – 700001

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **MCNALLY BHARAT ENGINEERING COMPANY LIMITED** ("the Company") for the quarter and half year ended 30th September, 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19th July, 2019 ("the Circular").
2. This Statement, which is the responsibility of the Company's Management and approved by the Resolution Professional, is prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



4. Basis for Adverse Conclusion

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

- i. We draw attention to **Note 12** to the statement regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets and Advance from Customer being subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- ii. Further, Claims Recoverable (BG Encashed) amounting to Rs. 36,252.08 Lakhs, including Rs. 13,690.09 Lakhs under arbitration whose fair value is Rs. 21,508.50 Lakhs are doubtful. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- iii. There is no material movement in Capital Work-in-Progress amounting to Rs.462.62 Lakhs, since 31st March, 2016. In absence of any audit evidence, we are unable to ascertain the impact/adjustments required and comment on the same.

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

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

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

c) Recognition of Deferred Tax Assets

Note 11 to the Statement that the Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018 which is being carried forward in books by the Company expecting adequate future taxable profits after infusion of fresh funds in the Company by the successful resolution applicant against which the deferred tax assets could be adjusted.



The Company has been continually incurring losses and its net worth has been fully eroded. Approval of the Resolution Plan is in progress, and we are unable to obtain sufficient appropriate audit evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 30th September, 2023.

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

5. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 4, and their consequential impact on the unaudited standalone financial results for the period ending 30th September 2023, which are expected to be material, we have come to the conclusion that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India.

6. Emphasis of Matters

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

a) Approval of Resolution Plan by the Committee of Creditors

Note 1 and 3 to the Statement informs that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP has submitted the application before the Hon'ble NCLT on 3rd August 2023 for its final approval.

b) Material Uncertainty Related to Going Concern

Note 4 to the Statement that the Company has incurred a net loss of Rs 42,888.65 lakhs (before comprehensive income) during the half year ended 30th September, 2023, and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and customers. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the acceptance of the resolution plan by the Hon'ble National Company Law Tribunal.

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



c) Non-Assessment of Pending Litigations

Note 6 to the statement that the Company has been receiving regulatory Enquiries/ Notices/ Summons/ Show-Cause/ Demand/ Orders from various Government authorities such as Goods and Services Tax and Income Tax. In view of the Company's admission under CIRP all existing civil and legal proceedings will be kept in abeyance as moratorium is in force under section 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Statement as of now.

d) Recognition of Interest Expense

As referred to in **Note 9** of the Statement, during the period, the Company has recognized the interest expense for the half year ended 30th September 2023 on Bank Borrowings, Inter Corporate Deposits, and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 34,925.21 Lakhs as estimated by the management.

Our conclusion is not modified in respect of these matters.

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



A handwritten signature in blue ink, appearing to read 'Aniruddha Sengupta', with a long horizontal line extending to the right.

Place: Kolkata
Date: 10th November, 2023

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 23051371BGVSDR4742

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGO LANE, Kolkata 700 001
Web: www.mcnallybharat.com, Email id: mbecl@mbecl.co.in, Phone no: (033) 3014-1111
Statement of Standalone Unaudited Financial Results for the half year ended 30th September, 2023

SL.No	Particulars	(Rs. in Lakhs, unless otherwise stated)					
		Three months ended			Six Months Ended		
		30th September, 2023	30th June, 2023	30th September, 2022	30th September, 2023	30th September, 2022	31st March, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Revenue from operations						
	(a) Net sales/ Income from operations	4,635.25	4,074.48	4,408.03	8,709.73	9,565.57	22,732.18
	(b) Other operating income	7.10	9.40	23.97	16.50	56.63	95.36
	Total income from operations	4,642.35	4,083.88	4,432.00	8,726.23	9,622.20	22,827.54
2	Other income	1,092.30	1,140.84	1,085.22	2,233.14	2,156.26	4,178.77
3	Total income (1+2)	5,734.65	5,224.72	5,517.23	10,959.37	11,778.47	27,006.31
4	Expenses						
	(a) Cost of materials consumed	2,345.86	2,082.10	2,029.50	4,427.96	5,218.45	12,321.63
	(b) Outsourcing expenses to job workers	2,015.46	1,269.82	4,246.14	3,285.28	5,886.34	9,644.30
	(c) Employee benefits expense	840.13	873.86	918.22	1,713.99	1,929.86	3,779.57
	(d) Finance costs	18,968.37	24,069.27	14,320.93	43,037.64	1,16,301.69	1,93,536.72
	(e) Depreciation and amortization expense	81.12	83.83	107.39	164.95	207.80	396.87
	(f) Other expenses	672.68	545.52	7,776.45	1,218.20	10,537.51	28,680.47
	Total expenses	24,923.62	28,924.40	29,398.63	53,848.02	1,40,081.66	2,48,359.56
5	Profit/(Loss) before tax and Exceptional Item (3-4)	(19,188.97)	(23,699.68)	(23,881.40)	(42,888.65)	(1,28,303.19)	(2,21,353.25)
	Exceptional Items	-	-	-	-	-	(25,767.49)
6	Profit Before Tax	(19,188.97)	(23,699.68)	(23,881.40)	(42,888.65)	(1,28,303.19)	(2,47,120.74)
7	Tax expenses:						
	Deferred tax	-	-	-	-	-	-
8	Profit/(Loss) for the period/year (5-6)	(19,188.97)	(23,699.68)	(23,881.40)	(42,888.65)	(1,28,303.19)	(2,47,120.74)
9	Other comprehensive income						
	Items that will not be reclassified to profit or loss	(18.15)	2.26	10.70	(15.89)	21.40	9.04
	Total other comprehensive income/(loss) (net of income tax)	(18.15)	2.26	10.70	(15.89)	21.40	9.04
10	Total comprehensive income/ (loss) for the period/year (7+8)	(19,207.12)	(23,697.42)	(23,870.70)	(42,904.54)	(1,28,281.79)	(2,47,111.70)
11	Paid up equity share capital (Face value of the share Rs.10 each)	21,157.08	21,157.08	21,157.08	21,157.08	21,157.08	21,157.08
12	Reserves excluding revaluation reserve	-	-	-	-	-	(3,53,712.41)
13	Earnings per share (of Rs. 10/- each) (not annualised):						
	Basic	(9.07)	(11.20)	(11.29)	(20.27)	(60.64)	(116.80)
	Diluted	(9.07)	(11.20)	(11.29)	(20.27)	(60.64)	(116.80)

Also refer accompanying notes to the financial results.

ASIM KUMAR BARMAN

Asim Kumar Barman
Director
DIN 02373956

RAVI SETHIA

Ravi Sethia
(Taken on Record)
IBBI/IPA-001/IP-P01305/2018-19/12052
Resolution Professional

Kolkata
10th November 2023



McNally Bharat Engineering Company Limited

Unaudited Standalone Statement of Assets and Liabilities as at 30th September, 2023

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at 30th September, 2023	As at 31st March, 2023
	Unaudited	Audited
A ASSETS		
1 Non-current assets		
Property, Plant and Equipment	1,541.52	1,670.83
Right to use Assets	64.98	97.47
Capital work-in-progress	462.62	462.62
Other Intangible assets	64.70	56.54
Financial Assets		
i. Investments	139.05	124.80
ii. Other Financial Assets	12.21	5.04
Deferred tax assets (net)	51,706.60	51,706.60
Total Non-current Assets	53,991.68	54,123.90
2 Current assets		
Inventories	39.53	74.68
Financial Assets		
i. Trade Receivables	75,022.00	75,237.37
ii. Cash and cash equivalents	2,760.47	2,948.23
iii. Bank balances other than (ii) above	4.58	11.37
iv. Loans	1,744.38	1,744.38
v. Other financial assets	27,658.30	34,290.70
Current Tax Assets (net)	117.28	230.89
Other current assets	40,015.21	40,844.45
Total Current Assets	1,47,361.75	1,55,382.07
Total Assets	2,01,353.43	2,09,505.97
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	21,157.08	21,157.08
Other equity	(3,96,616.95)	(3,53,712.41)
Total Equity	(3,75,459.87)	(3,32,555.33)
LIABILITIES		
2 Non-current liabilities		
Financial Liabilities		
Lease Liabilities	-	24.22
Provisions	273.44	259.06
Total Non-current Liabilities	273.44	283.28
3 Current liabilities		
Financial Liabilities		
i. Borrowings	3,10,769.04	3,10,509.51
ii. Lease Liabilities	75.29	87.60
iii. Trade payables		
Total outstanding dues of micro enterprises and small enterprises	199.67	184.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,434.02	22,666.51
iv. Other financial liabilities	2,38,346.05	2,03,112.40
Provisions	92.32	92.32
Other current liabilities	5,623.47	5,125.46
Total Current Liabilities	5,76,539.86	5,41,778.02
Total Liabilities	5,76,813.30	5,42,061.30
Total Equity and Liabilities	2,01,353.43	2,09,505.97

ASIM
KUMAR
BARMAN

Digitally signed by ASIM KUMAR BARMAN
DN: cn=K. BARMAN, o=McNally Bharat Engineering Company Limited, email=asim.k@mcnally.com, c=IN

Kolkata
10th November 2023

Asim Kumar Barman
Director
DIN 02373956

RAVI
SETHIA

Digitally signed by RAVI SETHIA
Date: 2023.11.10
13:27:04 +05'30'

Ravi Sethia
(Taken on Record)
IBBI/IPA-001/IP-P01305/2018-19/12052
Resolution Professional



McNally Bharat Engineering Company Limited
Unaudited Standalone Cash Flow Statement for the Half Year Ended 30th September, 2023

(Rs. Lakhs, unless otherwise stated)

Particulars	Half Year Ended	
	30th September, 2023	30th September, 2022
	Unaudited	Unaudited
Cash flow from operating activities		
Profit/(Loss) before income tax	(42,888.65)	(1,28,303.19)
Adjustments for:		
Depreciation	164.95	207.80
Finance Costs	43,037.64	1,12,912.22
Interest Income	(2,104.20)	(2,083.33)
Loss/(Profit) on Disposal of PPE (Net)	-	0.68
Liability no longer required written off	(1.33)	-
Provision for Slow moving Stock	9.90	-
Remeasurements of post-employment benefit plans OCI	(15.89)	-
Expected credit loss provided for/(written back)	138.22	12,885.48
Receivables written off	9.99	12.20
Provision for Future Foreseeable Losses in Construction Contracts	(219.93)	(421.58)
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	(7.17)	(23.04)
Net (gain)/ loss on financial assets measured at fair value through profit or loss	(14.26)	0.83
Change in operating Assets and Liabilities:	(1,890.73)	(4,811.93)
(Increase)/ Decrease in trade receivables	294.25	798.82
(Increase)/ Decrease in inventories	25.25	3.33
Increase/(Decrease) in trade payables	(1,215.72)	452.21
(Increase)/ Decrease in other financial assets	626.39	(872.44)
(Increase)/ decrease in other current assets	829.24	1,132.21
Increase/(decrease) in provisions	14.38	403.47
Increase/ (decrease) in other financial liabilities	266.20	(213.14)
Increase/ (decrease) in other liabilities	498.01	(849.53)
Cash generated from operations	(552.73)	(3,957.00)
Income taxes (paid)/ Refund (net)	113.61	(84.99)
Net cash inflow / (outflow) from operating activities	(439.12)	(4,041.99)
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(0.80)	(10.50)
Purchase of Other Intangible assets	(10.50)	-
Deposits matured/(made) during the year	(0.37)	-
Interest received	47.30	-
Net cash inflow / (outflow) from investing activities	35.63	(10.50)
Cash flows from financing activities		
Proceeds from borrowings	259.53	3,481.64
Lease Repayment	(36.53)	-
Finance Cost	(7.27)	-
Net cash inflow / (outflow) from financing activities	215.73	3,481.64
Net increase / (decrease) in cash and cash equivalents	(187.76)	(570.85)
Cash and cash equivalents at the beginning of the financial year	2,948.23	2,412.41
Cash and cash equivalents at end of the year	2,760.47	1,841.56

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard
- Previous period figures have been regrouped/ rearranged wherever necessary.

ASIM
KUMAR
BARMAN

Digitally signed by ASIM KUMAR
DN: cn=ASIM KUMAR, o=McNally Bharat Engineering Company Limited, email=asim.kumar@mcnallybharat.com, c=IN

Asim Kumar Barman
Director
DIN 02373956

RAVI
SETHIA

Digitally signed
by RAVI SETHIA
Date: 2023.11.10
13:27:27 +05'30'

Ravi Sethia
(Taken on Record)
IBBI/IPA-001/IP-P01305/2018-19/12052
Resolution Professional

Kolkata
10th November 2023



McNally Bharat Engineering Company Limited

Notes to the Statement of Standalone Unaudited Financial Results for the Quarter and Half Year ended 30th September, 2023

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being C.P (IB) No. 891/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, while disposing off, admitted the application vide order dated 29.04.2022 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional (IRP). Thereafter, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dt.26.08.22. Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest with the IRP/Resolution Professional (RP).
2. Committee of creditors (COC) has been constituted on 18.05.2022 on the basis of collation of all claims by the IRP and report is submitted to NCLT by IRP. The COC has been further reconstituted from time to time by the IRP/RP (last such reconstitution on 29.12.2022) and intimation filed with the Hon'ble NCLT, Kolkata Bench.
3. The Resolution Plan of one of the Resolution Applicants has received the approval of COC by requisite majority, in term of the Insolvency and Bankruptcy Code, 2016 and COC authorised the RP to issue the Letter of Intent in term of the request for Resolution Plan and thereafter submit the application before the Hon'ble NCLT Court for final approval of the Resolution Plan. The application has been submitted before the Hon'ble NCLT Court on 3rd August, 2023.
4. The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers and approval by NCLT of resolution plan submitted by the prospective investor. Under the CIRP, a resolution plan needs to be presented to and approved by the COC and thereafter will need to be approved by the NCLT to keep the Company as going concern. In view of the opinion of the Directors and KMPs, resolution and revival of the Company is possible in the foreseeable future. The IRP/RP shall endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as going concern. Accordingly, the financial result of the company have been prepared on going concern basis.
5. The above standalone financial results which are in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI circular dated July 05, 2016, have been prepared by the management, reviewed by the Audit Committee (suspended) and approved in the meeting of Board of Directors (suspended) chaired by Mr. Asim Barman at the behest of RP held on 10th November, 2023. The Board has relied upon the assistance provided by the members of the Audit Committee in review of financial results and certifications, representations and statements made by Directors, Chief Financial Officer and other Senior Executives of the Company and taken on record only to the limited extent of discharging the powers of the Board of Directors of the Company which has been conferred upon them in terms of the provisions of section 17 of the Insolvency and Bankruptcy Code, 2016.
6. a) There shall be a moratorium under section 14 of the Insolvency and Bankruptcy Code,2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtors under section 33 of the IBC, as the case may be.



ASIM
KUMAR
BARMAN

Digitally signed by ASIM KUMAR BARMAN
DN: cn=ASIM KUMAR BARMAN, o=ASIM KUMAR BARMAN, email=ASIM.KUMAR.BARMAN@MKNALLYBHARAT.COM, c=IN
Date: 2023.11.10 11:27:14 +05'30'

RAVI
SETHIA

Digitally signed
by RAVI SETHIA
Date: 2023.11.10
13:27:53 +05'30'

- b) The Company had received regulatory Enquiries /Notices/ Summons /Show-Cause/Demand/ Orders from various government authorities such as Goods and Services Tax, Income Tax. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 is applicable on the Company till the conclusion of CIRP. Therefore, no impact has been considered in these results as of now.
7. 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.
8. The Company is primarily engaged in the business of Construction and Engineering activities hence no separate disclosure has been made for segment reporting as per IND AS 108-Operating Segments.
9. i) The Company has been categorized as a Non-Performing Asset by the lender banks and the majority of the Lender Banks stopped debiting interest on their outstanding debts. After the company was admitted in NCLT, the Lender Banks submitted their claims to the IRP/RP amounting to Rs 3,62,003.83 lakhs (including interest) out of which claims amounting to Rs. 3,61,778.21 lakhs have been admitted. The company has provisionally accounted for interest from the date of categorization as Non-Performing Asset by lender banks till 30.09.2023 amounting to Rs.2,00,816.84 lakhs out of which interest amounting to Rs 30,849.32 Lakhs has been recognized during the half-year ended September 30, 2023 under the head 'Finance Cost'.
- ii) Financial Creditors other than lender banks have also submitted their claims to RP amounting to Rs. 2,03,216.42 Lakhs out of which Rs.1,14,120.40 lakhs have been admitted by RP. The company has provisionally accounted for interest till 30.09.2023 amounting to Rs.19,777.76 lakhs Out of which Interest amounting to Rs.3,541.50 lakhs has been recognized during the half-year ended September 30, 2023 under the head 'Finance Cost'.
- iii) Apart from the above, the claim of M/s EIG (Mauritius) Ltd was admitted by RP as per arbitration award to the tune of Rs. 7,773.61 lakhs which have been considered as a liability in the books and consequent interest of Rs. 1,423.33 lakhs thereon till 30.09.2023 (Out of which Interest amounting to Rs.534.39 Lakhs has been recognized during the half-year ended September 30, 2023) have also been provided under "Finance Cost".
10. The operational creditors have also submitted claims to the IRP/RP amounting to Rs.31,563.50 lakhs, out which RP has provisionally admitted claims of Rs.18,247.33 lakhs, as on 21.01.23 but reconciliation thereof with books is under process, which will be taken into records appropriately once reconciliation and settlement with creditors is complete.
11. 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 Investors support there will be adequate future taxable profits available to the Company against which the Deferred Tax Assets can be utilised. However, the Company has not recognised further Deferred Tax Assets thereafter on prudent basis.
12. Trade Receivables, Other Financial Assets and Other Current Assets are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Further, the reconciliation activity by the management is under process and the effects of the reconciliation activity shall be accounted once the reconciliation process is complete. The management, however,



ASIM
KUMAR
BARMAN

Digitally signed by ASIM KUMAR BARMAN
DN: cn=ASIM KUMAR BARMAN, o=V. Singhi & Associates, ou=Chartered Accountants, email=asim@vsinghi.com, c=IN
Date: 2023.11.10 13:28:21 +05'30'

RAVI
SETHIA

Digitally signed
by RAVI SETHIA
Date: 2023.11.10
13:28:21 +05'30'

does not expect any material variation, Management is also hopeful for recovery/realisation of receivables which include Rs.41,204.04 lakhs under arbitration till September 30, 2023 in the normal course of business, hence no impairment has been considered at this stage.

13. Project business is subject to quarterly variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
14. Figures for the previous quarters/periods have been regrouped/rearranged wherever considered necessary.

RAVI
Digitally signed
by RAVI SETHIA
Date:
SETHIA 2023.11.10
13:29:13 +05'30'

Ravi Sethia
(Taken on Record)
IBBI/ IPA-001/IP-P01305/ 2018-19/12052
Resolution Professional

ASIM
Digitally signed by ASIM KUMAR
KUMAR
BARMAN
Date: 2023.11.10 11:29:14 +05'30'

Asim Kumar Burman
Director (Suspended)
DIN No. 02373956

Place: Kolkata
Dated: 10th November, 2023



V. SINGHI & ASSOCIATES

Chartered Accountants

Four Mangoe Lane

Surendra Mohan Ghosh Sarani,

Ground Floor, Kolkata – 700 001

Phone : +91 33 2210 1125/26

E-mail : kolkata@vsinghi.com

Website : www.vsinghi.in

Independent Auditor's Report on Limited Review of the Unaudited Consolidated Financial Results for the quarter and half year ended 30th September, 2023 of McNally Bharat Engineering Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report

The Resolution Professional of

McNally Bharat Engineering Company Limited

Four Mangoe Lane, Surendra Mohan Ghosh Sarani

Kolkata – 700001

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **MCNALLY BHARAT ENGINEERING COMPANY LIMITED** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) for the quarter and half year ended 30th September, 2023 (“the Statement”), being compiled and submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19th July, 2019 (“the Circular”).
2. This Statement, which is the responsibility of the Company's Management and approved by the Resolution Professional, is prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (“Ind AS 34”) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



4. Basis for Adverse Conclusion

a) Current Assets, Current Liabilities and Capital work-in-progress

- i. We draw attention to **Note 12** to the statement regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets, and Advance from Customers being subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- ii. Further, Claims Recoverable (BG Encashed) amounting to Rs. 36,252.08 Lakhs, including Rs. 13,690.09 Lakhs under arbitration whose fair value is Rs. 21,508.50 Lakhs are doubtful. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.
- iii. There is no material movement in Capital Work-in-Progress amounting to Rs.462.62 Lakhs, since 31st March, 2016. In the absence of any audit evidence, we are unable to ascertain the impact/adjustments required and comment on the same.

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

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

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

c) Recognition of Deferred Tax Assets

Note 11 to the Statement that the Holding Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018 which is being carried forward in books by the Holding Company expecting adequate future taxable profits after the infusion of fresh funds in the Holding Company by the successful resolution applicant against which the deferred tax assets could be adjusted.



The Holding Company has been continually incurring losses and its net worth has been fully eroded. Approval of the Resolution Plan is in progress, and we are unable to obtain sufficient appropriate audit evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 30th September, 2023.

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

5. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 4, and their consequential impact on the unaudited standalone financial results for the period ending 30th September 2023, which are expected to be material, we have come to the conclusion that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India.

6. Emphasis of Matters

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

a) Approval of Resolution Plan by the Committee of Creditors

Note 1 and 3 to the Statement informs that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Holding Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP has submitted the application before the Hon'ble NCLT on 3rd August, 2023 for its final approval.

b) Material Uncertainty Related to Going Concern

Note 4 to the Statement that the Group has incurred a net loss of Rs 42,870.54 lakhs (before comprehensive income) during the half year ended 30th September, 2023 and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and customers. These events and conditions indicate a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the acceptance of the resolution plan by the Hon'ble National Company Law Tribunal.



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

c) Non- Assessment of Pending Litigations

Note 6 to the statement that the Holding Company has been receiving regulatory Enquiries/ Notices/ Summons/ Show-Cause/ Demand/ Orders from various Government authorities such as Goods and Services Tax and Income Tax. In view of the Holding Company's admission under CIRP all existing civil and legal proceedings will be kept in abeyance as moratorium is in force under section 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Statement as of now.

d) Recognition of Interest Expense

As referred to in **Note 9** of the Statement, during the period, the Holding Company has recognized the interest expense for the half year ended 30th September, 2023 on Bank Borrowings, Inter Corporate Deposits and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 34,925.21 Lakhs as estimated by the management.

e) Others

The Statement includes the results of the following subsidiaries;

Wholly Owned Subsidiary Companies of the Holding Company

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

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

Joint Ventures of the Holding Company

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

Our conclusion is not modified in respect of these matters.

7. Other Matters

The Statement includes the unaudited financial information of one Indian subsidiary and two overseas subsidiaries which reflects the Group's share of total profit of Rs. 18.01 Lakhs and total income of Rs 230.67 Lakhs for the half year ended 30th September, 2023. The unaudited financial information has been furnished to us by the management and our opinion on the Statement in so far as it relates to the amounts and disclosures included



in respect of these entities is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the management, this interim financial information is not material to the Group.

Our conclusion is not modified in respect of these matters.

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



A handwritten signature in purple ink, appearing to read "Aniruddha Sengupta", with a long horizontal stroke extending to the right.

Place: Kolkata
Date: 10th November, 2023

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 23051371BGVSDS6337

McNALLY BHARAT ENGINEERING COMPANY LIMITED

CIN: L45202WB1961PLC025181

Regd. Office: 4 MANGOE LANE, Kolkata 700 001

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

Statement of Consolidated Unaudited Financial Results for the quarter and half year ended 30th September, 2023

(Rs. in Lakhs, unless otherwise stated)

Particulars	Three months ended			Six Months Ended		Year Ended
	30 September, 2023	30 June, 2023	30 September, 2022	30 September, 2023	30 September, 2022	31st March, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from operations	4,681.42	4,098.98	8,745.74	8,780.40	17,913.20	38,078.60
2 Other income	1,092.53	1,140.79	1,185.50	2,233.32	2,286.26	4,381.68
3 Total income (1+2)	5,773.95	5,239.77	9,931.24	11,013.72	20,199.46	42,460.28
4 Expenses						
(a) Cost of materials consumed	2,345.86	2,082.10	4,084.81	4,427.96	9,615.45	21,440.63
(b) Changes in Inventories of work-in-progress and finished goods	-	-	431.58	-	283.00	(83.00)
(c) Outsourcing expenses to job workers	2,040.57	1,275.76	4,246.14	3,316.33	5,886.34	9,644.30
(d) Employee benefits expense	840.13	873.86	1,621.41	1,713.99	3,324.86	6,279.57
(e) Finance costs	18,968.37	24,069.27	14,413.59	43,037.64	1,16,479.69	1,93,863.72
(f) Depreciation and amortisation expense	81.12	83.83	267.38	164.95	527.80	1,004.87
(g) Other expenses	676.78	546.61	8,929.40	1,223.39	12,711.81	32,803.02
Total expenses	24,952.83	28,931.43	33,994.31	53,884.26	1,48,828.95	2,64,953.11
5 Profit / (Loss) before tax and Exceptional Items (3-4)	(19,178.88)	(23,691.66)	(24,063.07)	(42,870.54)	(1,28,629.49)	(2,22,492.83)
6 Exceptional Items	-	-	-	-	-	2,390.24
Profit / (Loss) before tax (5+6)	(19,178.88)	(23,691.66)	(24,063.07)	(42,870.54)	(1,28,629.49)	(2,20,102.59)
7 Tax expenses:						
(a) Current tax	-	-	-	-	-	2.69
(b) Provision Written Back	-	-	-	-	-	(23.89)
(c) Deferred tax	-	-	-	-	-	6,233.89
8 Profit / (Loss) for the period/year	(19,178.88)	(23,691.66)	(24,063.07)	(42,870.54)	(1,28,629.49)	(2,26,316.28)
9 Other Comprehensive Income						
(a) Items that will not be reclassified to profit or loss :						
Remeasurements of Post-employment Defined Benefit Obligations	(18.15)	2.26	20.03	(15.89)	39.40	(22.96)
(b) Items that will be reclassified to profit or loss :						
Exchange Difference on translation of foreign operations	59.25	(129.12)	-	(69.87)	-	-
Total other comprehensive income (net of income tax)	41.10	(126.86)	20.03	(85.76)	39.40	(22.96)
10 Total comprehensive income for the period/year (8+9)	(19,137.78)	(23,818.52)	(24,043.04)	(42,956.30)	(1,28,590.09)	(2,26,339.24)
11 Profit/(Loss) attributable to:						
Owners of the Holding Company	(19,178.94)	(23,691.71)	(24,029.62)	(42,870.65)	(1,28,569.39)	(2,27,060.38)
Non-Controlling interest	0.06	0.05	(33.42)	0.11	(60.10)	744.10
Total	(19,178.88)	(23,691.66)	(24,063.04)	(42,870.54)	(1,28,629.49)	(2,26,316.28)
12 Other Comprehensive income is attributable to:						
Owners of the Holding Company	41.10	(126.86)	18.31	(85.76)	36.08	(17.06)
Non-Controlling interest	-	-	1.72	-	3.32	(5.90)
Total	41.10	(126.86)	20.03	(85.76)	39.40	(22.96)
13 Total Comprehensive income is attributable to:						
Owners of the Holding Company	(19,137.84)	(23,818.57)	(24,011.31)	(42,956.41)	(1,28,533.31)	(2,27,077.44)
Non-Controlling interest	0.06	0.05	(31.70)	0.11	(56.78)	738.20
Total	(19,137.78)	(23,818.52)	(24,043.01)	(42,956.30)	(1,28,590.09)	(2,26,339.24)
14 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
15 Reserve excluding revaluation reserve	-	-	-	-	-	(3,53,635.60)
16 Earnings Per Share (of Rs. 10/- each) (not annualised):						
Basic (Rs.)	(9.05)	(11.20)	(11.36)	(20.30)	(60.77)	(107.32)
Diluted (Rs.)	(9.05)	(11.20)	(11.36)	(20.30)	(60.77)	(107.32)

The accompanying notes form an integral part of the Consolidated Financial Results

ASIM
KUMAR
BARMAN
Asim Kumar Barman
Director
DIN 02373956

RAVI SETHIA
Digitally signed
by RAVI SETHIA
Date: 2023.11.10
13:29:34 +05:30'

Ravi Sethia
(Taken on Record)
IBBI/IPA-001/IP-P01305/2018-19/12052
Resolution Professional

Kolkata
10th November 2023



McNally Bharat Engineering Company Limited
Unaudited Consolidated Statement of Assets and Liabilities as at 30th September, 2023

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at	As at
	30th September 2023	31st March 2023
	Unaudited	Audited
A ASSETS		
1 Non-current assets		
Property, plant and equipment	1,541.52	1,670.83
Right to use assets	64.98	97.47
Capital work-in-progress	462.62	462.62
Other Intangible assets	64.70	56.54
Financial assets		
i. Investments	129.11	114.85
ii. Other financial assets	27.67	20.50
Deferred tax assets	51,706.60	51,706.60
Total non-current assets	53,997.20	54,129.41
2 Current assets		
Inventories	39.53	74.68
Financial assets		
i. Trade receivables	75,069.83	75,293.73
ii. Cash and cash equivalents	2,862.70	3,012.10
iii. Bank balances other than (ii) above	4.58	11.37
iv. Loans	1,830.08	1,828.12
v. Other financial assets	27,727.15	34,321.14
Current tax assets(net)	137.88	234.73
Other current assets	40,021.89	40,846.20
Total current assets	1,47,693.64	1,55,622.07
Total assets	2,01,690.84	2,09,751.48
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	21,157.08	21,157.08
Other equity		
Reserves and surplus	(3,96,592.00)	(3,53,635.60)
Equity attributable to owners of the Holding Company	(3,75,434.92)	(3,32,478.52)
Non-controlling interests	0.16	0.05
Total equity	(3,75,434.76)	(3,32,478.47)
LIABILITIES		
2 Non-current liabilities		
Financial Liabilities		
i. Borrowings	115.00	115.00
ii. Lease Liabilities	-	24.22
Provisions	273.44	259.06
Total non-current liabilities	388.44	398.28
3 Current liabilities		
Financial Liabilities		
i. Borrowings	3,10,593.39	3,10,324.52
ii. Lease Liabilities	75.29	87.60
iii. Trade payables		
-Total outstanding dues of Micro, Small and Medium Enterprises	199.67	184.22
-Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	21,732.53	22,893.20
iv. Other financial liabilities	2,38,418.92	2,03,112.60
Other current liabilities	5,625.04	5,137.21
Provisions	92.32	92.32
Total current liabilities	5,76,737.16	5,41,831.67
Total liabilities	5,77,125.60	5,42,229.95
Total equity and liabilities	2,01,690.84	2,09,751.48

ASIM KUMAR
BARMAN
Asim Kumar Barman
Director
DIN 02373956

RAVI
SETHIA
Digitally signed by
RAVI SETHIA
Date: 2023.11.10
13:29:58 +05'30'

Ravi Sethia
(Taken on Record)
IBBI/IPA-001/IP-P01305/2018-19/12052
Resolution Professional

Kolkata
10th November 2023



McNally Bharat Engineering Company Limited

Unaudited Consolidated Cash Flow Statement for the Half Year Ended 30th September, 2023

(Rs. in Lakhs, unless otherwise stated)

Particulars	Half Year Ended	
	30th September, 2023	30th September, 2022
	Unaudited	Unaudited
Cash flow from operating activities		
Profit before income tax	(42,870.54)	(1,28,629.49)
Adjustments for		
Depreciation	164.95	527.80
Finance Cost	43,037.64	1,13,090.22
Interest Income	(2,104.38)	(2,114.33)
Loss/(Profit) on Disposal of Property, Plant and Equipment (Net)	-	0.68
Provision/ Allowance for doubtful debt	-	10.00
Bad Debts written off	9.99	12.20
Provision for Slow moving Stock	9.90	-
Remeasurements of post-employment benefit plans OCI	(15.89)	-
Provision for Expected Credit Loss on Trade Receivables and due from customers	138.22	9,496.02
Liability no longer required written back	(1.33)	(17.00)
Provision no longer required written back	-	(59.00)
Provision for Warranty	-	(5.00)
Provision for Doubtful Debts against Claims Recoverable	-	3,389.46
Provision for Future Foreseeable Losses in Construction Contracts	(219.93)	(421.58)
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	(7.17)	(39.04)
Net (gain)/loss on financial assets measured at fair value through profit or loss	(14.26)	0.83
	(1,872.80)	(4,758.23)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	309.07	1,323.82
(Increase)/Decrease in inventories	25.25	181.33
Increase/(Decrease) in trade payables	(1,215.21)	886.21
Increase / (Decrease) in Employee Benefit Obligation	-	(65.00)
(Increase)/Decrease in other financial assets	589.38	(872.44)
(Increase)/decrease in other current assets	824.31	1,132.21
Increase/(decrease) in provisions	14.38	403.47
Increase/ (decrease) in other financial liabilities	338.87	(213.14)
Increase/ (decrease) in other liabilities	487.83	(823.53)
Cash generated from operations	(498.92)	(2,805.30)
Income taxes (paid)/Refund	96.85	(123.99)
Net cash inflow / (outflow) from operating activities	(402.07)	(2,929.29)
Cash flows from investing activities		
Purchase of property, plant and equipment	(0.80)	(54.50)
Purchase of Other Intangible Asset	(10.50)	-
Loans given during the year	-	(56.38)
Deposits matured/(made) during the year	(0.37)	(101.00)
Interest received	47.48	31.00
Net cash inflow / (outflow) from investing activities	35.81	(180.88)
Cash flows from financing activities		
Proceeds from borrowings	259.53	3,481.64
Repayment of borrowings	-	23.00
Lease Repayment	(36.53)	-
Interest Paid	-	(178.00)
Finance Cost	(7.27)	-
Net cash inflow / (outflow) from financing activities	215.73	3,326.64
Net increase/ (decrease) in cash and cash equivalents	(150.53)	216.47
Cash and cash equivalents at the beginning of the financial year	3,012.10	4,501.27
Effects of exchange rate changes on cash and cash equivalents	1.13	-
Cash and cash equivalents at end of the year	2,862.70	4,717.74

ASIM
KUMAR
BARMAN

Asim Kumar Barman
Director
DIN 02373956

Digitally signed by Asim Kumar Barman
DN: cn=Asim Kumar Barman, o=McNally Bharat Engineering Company Limited, email=asim.kumar@mcnallybharat.com, c=IN

RAVI
SETHIA

Ravi Sethia
(Taken on Record)
IBBI/IPA-001/IP-P01305/2018-19/12052
Resolution Professional

Digitally signed by
RAVI SETHIA
Date: 2023.11.10
13:30:22 +05'30'

Kolkata
10th November 2023



on the Holding Company till the conclusion of CIRP. Therefore, no impact has been considered in these results as of now.

7. 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.
8. The Holding Company is primarily engaged in the business of Construction and Engineering activities and subsidiary companies are also operating under similar line of business. Hence no separate disclosure has been made for segment reporting as per IND AS 108-Operating Segments.
9. i) The Holding Company has been categorised as Non-Performing Asset by the lender banks and majority of the Lender Banks has stopped debiting interest on their outstanding debts. After the Holding company has admitted in NCLT, the Lender Banks have submitted their claims to the IRP/RP amounting to Rs 3,62,003.83 lakhs (including interest) out of which claim amounting to Rs. 3,61,778.21 lakhs have been admitted. The company has provisionally accounted for interest from date of categorisation as Non-Performing Asset by lender banks till 30.09.2023 amounting to Rs.2,00,816.84 lakhs out of which interest amounting to Rs 30,849.32 Lakhs has been recognised during the half-year ended September 30, 2023, under the head 'Finance Cost'.

ii) Financial Creditors other than lender banks of the Holding Company have also submitted their claims to RP amounting to Rs.2,03,216.42 lakhs out of which Rs.1,14,120.40 lakhs have been admitted by RP. The Holding Company has provisionally accounted for interest till 30.09.2023 amounting to Rs.19,777.76 lakhs Out of which amounting to Rs.3541.50 lakhs recognized during the half-year ended September 30, 2023, under the head 'Finance Cost'.

iii) Apart from above, the claim of M/s EIG (Mauritius) Ltd against the Holding Company was admitted by RP as per arbitration award to the tune of Rs. 7,773.61 lakhs which have been considered as a liability in the books and consequent interest of Rs. 1423.33 lakhs thereon till 30.09.2023 (out of which interest amounting to Rs.534.39 Lakhs has been recognized during the half-year ended September 30, 2023) have also been provided under "Finance Cost".
10. The operational creditors of the Holding Company have also submitted claims to the IRP/RP amounting to Rs.31,563.50 lakhs, out of which RP has provisionally admitted claims of Rs.18,247.33 lakhs as on 21.01.23 but reconciliation thereof with books is under process, which will be taken into records appropriately once reconciliation and settlement with creditors is complete.
11. The Holding Company had recognised Deferred Tax Assets amounting to Rs 51,706.60 Lakhs upto 31st March, 2018. The Holding Company believes that based on the infusion of fresh funds coming to the Holding Company with the Investors' support there will be adequate future taxable profits available to the Company against which the Deferred Tax Assets can be utilised. However, the Holding Company has not recognised further Deferred Tax Assets thereafter on prudent basis.
12. Trade Receivables, Other Financial Assets and Other Current Assets are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Further, the reconciliation activity by the management of the Holding Company is under process and the effects of the reconciliation activity shall be accounted once the reconciliation process is complete. The management, however, does not expect any material variation, Management is also hopeful for



ASIM
KUMAR
BARMAN

Digitally signed by ASIM KUMAR
DN: cn=ASIM KUMAR,
o=V. Singhi & Associates,
ou=Chartered Accountants,
email=asim@vsa.co.in,
serialNumber=1,
c=IN
Date: 2023.11.10 13:33:01 +05'30'

RAVI
SETHIA

Digitally signed
by RAVI SETHIA
Date: 2023.11.10
13:33:01 +05'30'

recovery/realisation of receivables which include Rs.41,204.04 Lakhs under arbitration till September 30, 2023 in the normal course of business, hence no impairment has been considered at this stage.

13. Project business is subject to quarterly variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
14. Figures for the previous quarters/periods have been regrouped/rearranged wherever considered necessary.

**RAVI
SETHIA** Digitally signed
by RAVI SETHIA
Date: 2023.11.10
13:33:27 +05'30'

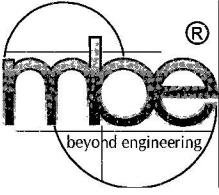
Ravi Sethia
(Taken on Record)
IBBI/ IPA-001/IP-P01305/ 2018-19/12052
Resolution Professional

**ASIM
KUMAR
BARMAN** Digitally signed by ASIM KUMAR
BARMAN
DN: cn=Asim Kumar Burman,
2.5.4.20=India, o=Chartered Accountants,
2.5.4.20=India, ou=Chartered Accountants,
2.5.4.20=India, postalCode=700091, st=West
Bengal,
serialNumber=5511229511146255
OU=IP-180404878252422756202111
20111445671, cn=ASIM KUMAR BARMAN
Date: 2023.11.10 11:35:17 +05'30'

Asim Kumar Burman
Director (Suspended)
DIN No. 02373956

Place : Kolkata
Dated : 10th November, 2023





McNally Bharat Engineering Company Limited

CIN: L45202WB1961PLC025181

Corporate Office: Ecospace Campus 2B 11F/12

New Town Rajarhat North 24 Parganas Kolkata-700160

Telephone +91 3344591111

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

Registered Office: 4 Mangoe Lane Kolkata-700001

CERTIFIED TRUE COPY OF RELEVANT EXTRACTS FROM THE MINUTES OF THE MEETING OF THE RESOLUTION PROFESSIONAL & THE (SUSPENDED) BOARD OF DIRECTORS OF McNALLY BHARAT ENGINEERING COMPANY LIMITED HELD ON 10TH NOVEMBER 2023 THROUGH VIDEO-CONFERENCE.

To approve the Company's Unaudited Standalone and Consolidated Financial Results for the second quarter and half-year ended 30th September 2023

“RESOLVED that the Company's Unaudited Standalone Financial Results for the Second Quarter and Half-year ended 30th September 2023 (“the Results”) made out in accordance with the format prescribed under Regulation 33 of the Listing Regulations, 2015 and placed before this Meeting, be and is hereby approved;

RESOLVED that the Company's Unaudited Consolidated Financial Results for the Second Quarter and Half-year ended 30th September 2023 (“the Results”) made out in accordance with the format prescribed under Regulation 33 of the Listing Regulations, 2015 and placed before the Board, be and is hereby approved;

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

CERTIFIED TRUE COPY


For McNally Bharat Engineering Company Limited

INDRANI
RAY

Indrani Ray
Company Secretary

[McNally Bharat Engineering Company Limited is under Corporate Insolvency Resolution Process as per provisions of the Insolvency and Bankruptcy Code, 2016. Its affairs, business, and assets are being managed by the Resolution Professional, Mr. Ravi Sethia, appointed by the Kolkata Bench of the Hon'ble National Company Law Tribunal vide Order dated 26 August 2022 (Order published on 2 September 2022) under the provisions of the Code.]

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

Member  Williamson Magor Group