

McNally Bharat Engineering Company Limited

CIN: L45202WB1961PLC025181

Corporate Office: Ecospace Campus 2B 11F/12

New Town Rajarhat North 24 Parganas Kolkata-700160

Telephone +91 33 68311001/+91 33 68311212

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

Registered Office: 4 Mangoe Lane Kolkata-700001

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

5th June 2024

The National Stock Exchange of India Limited

Exchange Plaza, 5th floor, Plot # C/1, 'G' Block

Bandra Kurla Complex, Bandra (East)

Mumbai – 400 051

BSE Limited

Corporate Relations Department

1st Floor, New Trading Ring, Rotunda Building

Phiroze Jeejeebhoy Towers, Dalal Street, Fort

Mumbai – 400 001

Dear Sir/Madam,

Sub: Disclosure under LODR Regulations 30 and 33 regarding *inter alia* Outcome of Board Meeting and approval of Audited Financial Results for the financial year ended 31st March 2024.

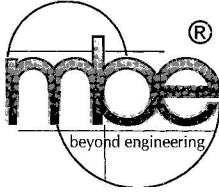
Scrip Code/Symbol: 532629 / MBECL

Please refer to our intimation dated 29th May 2024 regarding re-scheduling the Meeting of the Chairman of the Monitoring Committee with the (suspended) Board of Directors, which was originally slated for 29th May 2024, to *inter alia* consider, approve and take on record the Audited Standalone and Consolidated Financial Results of the Company for the quarter/financial year ended 31st March 2024 (the “Financial Results”).

The Chairman of the Monitoring Committee and the suspended Board of Directors approved the Financial Results at their meeting held today. The meeting commenced at 5:30 PM and concluded at 9:35PM.

We are enclosing herewith:

- 1) Financial Results of the Company in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“LODR”) duly signed by Mr. Ravi Sethia, Chairman of the Monitoring Committee (erstwhile Resolution Professional of the Company) and Mr. Asim Kumar Barman (DIN 02373956), Independent Director and Chairman of Audit Committee, who has been duly authorised by the Board in this regard;



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- 2) Audit Report on the audited Financial Results for the financial year ended 31st March 2024; and
- 3) Statement on Impact of Audit Qualifications for Audit Report (with modified opinion) on Standalone and Consolidated Financial Results in the prescribed format for the financial year ended 31st March 2024;

We further inform the following:

- a) The Board has not recommended any dividend in respect of the financial year 2023-24;
- b) the Sixty-first Annual General Meeting (61st AGM) of the Company will be held on 29th August 2024 though video-conference in Kolkata; and
- c) Register of Members and Share Transfer Books will remain closed from 23rd August 2024 to 25th August 2024 both days inclusive, for the purpose of determining the Shareholders entitled to attend the 61st AGM.

This Notice is being uploaded on the Company website www.mcnallybharat.com.
Kindly take this into your records.

Yours faithfully

For **McNally Bharat Engineering Company Limited**

INDRANI
RAY

Indrani Ray

Company Secretary

Enclosures: As above.

Independent Auditor’s Report on Audited Standalone Financial Results of McNally Bharat Engineering Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. Adverse Opinion

We have audited the accompanying Statement of Standalone Financial Results of **MCNALLY BHARAT ENGINEERING COMPANY LIMITED** (“the Company”) for the quarter and year ended 31st March, 2024 (“the Statement”), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19th July, 2019 (“the Circular”).

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- a. has been presented, except for the matter dealt with in Basis for Adverse Opinion Para (Para No. 2), in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard, and
- b. does not give, due to the significance of the matter described in the Basis of Adverse Opinion Para, a true and fair view, in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information for the quarter and year ended on 31st March, 2024.



2. Basis for Adverse Opinion

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

- i. We draw attention to **Note 10** to the statement regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets, and Advance from 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. 36,183.70 Lakhs, including Rs. 11,677.58 Lakhs under arbitration whose fair value is Rs. 21,454.57 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 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 loans 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 the absence of any further communication between the Company and VSPL in the current year, we are unable to comment on the realizability of loan and its interest and consequential adjustment to be made in the books.

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

c) Recognition of Deferred Tax Assets

Note 9 to the Statement that the Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018 which is being 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. We are unable to obtain sufficient appropriate evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 31st March, 2024.

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

3. 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/ NCLT

Note 1 to 4 to the Statement informs that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP submitted the application before the Hon'ble NCLT on 3rd August 2023 for its final approval. On the 19th December 2023, Hon'ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon'ble NCLT, the Implementation and Monitoring Committee ("IMC") is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation. However, the effect of the order on the financial result of the Company shall be done only after fulfilling the condition as per the NCLT order and the resolution plan submitted by the Resolution Applicant.

b) Material Uncertainty Related to Going Concern

Note 4 to the Statement that the Company has incurred a net loss of Rs. 88,326.28 lakhs (before comprehensive income) during the year ended 31st March, 2024, and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and customers. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the successful implementation of the resolution plan as approved by the Hon'ble National Company Law Tribunal. However, we could not gather sufficient evidence with respect to the management's assertion and in absence of required documents/evidence are unable to comment on the preparation of the Statement.

c) Non-Assessment of Pending Litigations

Note 5 of 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 8** of the Statement, the Company has recognized interest expense for the year ended 31st March, 2024 on Bank Borrowings, Inter Corporate Deposits, and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 73,333.91 Lakhs (including Rs. 19,566.22 Lakhs recognised in the current quarter) as estimated by the management.

Our conclusion is not modified in respect of these matters.

4. Management's Responsibilities for the Standalone Financial Results

The management under monitoring committee is responsible for the preparation and presentation of the Statement that give a true and fair view of the loss and other comprehensive income 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 Companies Act, 2013 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 management under monitoring committee is 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 management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management under Monitoring Committee is also responsible for overseeing the Company's financial reporting process.

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

Our objective is 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 skepticism 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. Under Section 143 (3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management under the monitoring committee.
- Conclude on the appropriateness of the management under monitoring committee'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.
- 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.

6. Other Matters

The Standalone Financial Results include the results for the quarter ended 31st March, 2024 being the derived figure between the audited figure in respect of the full financial year and the published unaudited year-to-date figure up to the third quarter of the current financial year which were subjected to a limited review by us, as required under the Listing Regulation.

Our opinion is not modified in respect of these matters.

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

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(Aniruddha Sengupta)
Partner

Membership No. 051371
UDIN: 24051371BKFAFS2865

Place: Kolkata
Date: 5th June, 2024

McNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGO LANE, Kolkata 700 001
Web: www.mcnallybharat.com, Email id: mbe.corp@mbecl.co.in, Phone no: +91-33-68311001 / +91-33-68311212
Statement of Audited Standalone Financial Results for the Quarter and Year ended 31st March, 2024

(Rs. in Lakhs, unless otherwise stated)

SL.No	Particulars	Three months ended			Year ended	
		31st March, 2024	31st December, 2023	31st March, 2023	31st March, 2024	31st March, 2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	(a) Net sales/ Income from operations	4,036.02	3,998.56	6,404.68	16,744.31	22,732.18
	(b) Other operating income	0.24	0.23	15.47	16.97	95.36
	Total income from operations	4,036.26	3,998.79	6,420.15	16,761.28	22,827.54
2	Other income	1,468.42	1,037.79	140.74	4,739.36	4,178.77
3	Total income (1+2)	5,504.68	5,036.58	6,560.89	21,500.64	27,006.31
4	Expenses					
	(a) Cost of materials consumed	1,259.56	1,864.51	3,659.60	7,552.03	12,321.63
	(b) Outsourcing expenses to job workers	1,791.40	2,444.53	2,173.65	7,521.21	9,644.30
	(c) Employee benefits expense	620.01	628.03	954.13	2,962.03	3,779.57
	(d) Finance costs	20,506.61	19,832.93	17,275.57	83,377.18	1,93,536.72
	(e) Depreciation and amortization expense	76.52	79.43	93.37	320.90	396.87
	(f) Other expenses	6,427.52	447.85	7,503.98	8,093.57	28,680.47
	Total expenses	30,681.62	25,297.28	31,660.30	1,09,826.92	2,48,359.56
5	Profit/(Loss) before tax and Exceptional Item (3-4)	(25,176.94)	(20,260.70)	(25,099.41)	(88,326.28)	(2,21,353.25)
	Exceptional Items	-	-	(17,993.88)	-	(25,767.49)
6	Profit Before Tax	(25,176.94)	(20,260.70)	(43,093.29)	(88,326.28)	(2,47,120.74)
7	Tax expenses:					
	Deferred tax	-	-	-	-	-
8	Profit/(Loss) for the period/year (6-7)	(25,176.94)	(20,260.70)	(43,093.29)	(88,326.28)	(2,47,120.74)
9	Other comprehensive income					
	Items that will not be reclassified to profit or loss					
	Remeasurements of post-employment benefit plans (net of taxes)	79.27	14.03	(23.05)	77.41	9.04
	Total other comprehensive income/(loss) (net of income tax)	79.27	14.03	(23.05)	77.41	9.04
10	Total comprehensive income/ (loss) for the period/year (8+9)	(25,097.67)	(20,246.67)	(43,116.34)	(88,248.87)	(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
12	Reserves excluding revaluation reserve	-	-	-	(4,41,961.27)	(3,53,712.41)
13	Earnings per share (of Rs. 10/- each) (not annualised):					
	Basic	(11.90)	(9.58)	(20.37)	(41.75)	(116.80)
	Diluted	(11.90)	(9.58)	(20.37)	(41.75)	(116.80)

Also refer accompanying notes to the financial results.

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Pradyuman Baidya
Chief Financial Officer

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Asim Kumar Barman
Director (Suspended)
DIN 02373956

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

Kolkata
5th June, 2024

McNally Bharat Engineering Company Limited
Audited Standalone Statement of Assets and Liabilities as at 31st March, 2024

(Rs. in Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2024	As at 31st March, 2023
	Audited	Audited
A ASSETS		
1 Non-current assets		
Property, Plant and Equipment	1,420.57	1,670.83
Right to use Assets	32.49	97.47
Capital work-in-progress	462.62	462.62
Other Intangible assets	62.20	56.54
Financial Assets		
i. Investments	136.09	124.80
ii. Other Financial Assets	12.14	5.04
Deferred tax assets (net)	51,706.60	51,706.60
Total Non-current Assets	53,832.71	54,123.90
2 Current assets		
Inventories	37.12	74.68
Financial Assets		
i. Trade Receivables	74,203.90	75,237.37
ii. Cash and cash equivalents	1,706.98	2,948.23
iii. Bank balances other than (ii) above	325.16	11.37
iv. Loans	1,744.38	1,744.38
v. Other financial assets	28,068.01	34,290.70
Current Tax Assets (net)	212.68	230.89
Other current assets	39,567.02	40,844.45
Total Current Assets	1,45,865.25	1,55,382.07
Total Assets	1,99,697.96	2,09,505.97
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	21,157.08	21,157.08
Other equity	(4,41,961.27)	(3,53,712.41)
Total Equity	(4,20,804.19)	(3,32,555.33)
LIABILITIES		
2 Non-current liabilities		
Financial Liabilities		
Lease Liabilities	-	24.22
Provisions	199.18	259.06
Total Non-current Liabilities	199.18	283.28
3 Current liabilities		
Financial Liabilities		
i. Borrowings	3,10,773.49	3,10,509.51
ii Lease Liabilities	38.76	87.60
iii. Trade payables		
Total outstanding dues of micro enterprises and small enterprises	187.12	184.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	22,142.38	22,666.51
iv. Other financial liabilities	2,82,529.93	2,03,112.40
Provisions	87.72	92.32
Other current liabilities	4,543.57	5,125.46
Total Current Liabilities	6,20,302.97	5,41,778.02
Total Liabilities	6,20,502.15	5,42,061.30
	1,99,697.96	2,09,505.97

Kolkata
5th June, 2024

Pradyuman
Baidya

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Pradyuman Baidya
Chief Financial Officer

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Asim Kumar Barman
Director (Suspended)
DIN 02373956

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

McNally Bharat Engineering Company Limited
Standalone Statement of cash flows for the year ended 31st March, 2024

(Rs. in Lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flow from operating activities		
Profit/(Loss) before income tax	(88,326.28)	(2,47,120.74)
Adjustments for:		
Exceptional items	-	25,767.49
Depreciation Expenses	320.90	396.87
Finance Costs	83,377.18	1,93,536.72
Interest Income	(4,232.33)	(3,994.55)
Loss/(Profit) on Disposal of Property, Plant and Equipment (Net)	0.00	0.68
Provision for Slow moving Stock	29.27	44.29
Liquidated Damages	-	6,349.88
Expected credit loss provided for/(written back)	(105.77)	14,193.46
Receivables written off	9.99	5,328.50
Provision for Future Foreseeable Losses in Construction Contracts	5,522.86	(533.78)
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	13.15	141.99
Liability no longer required written back	(1.33)	-
Net (gain)/loss on financial assets measured at fair value through profit or loss	(11.29)	2.98
Cash flow from operating activities before change in operating assets and liabilities	(3,403.65)	(5,886.21)
(Increase)/Decrease in trade receivables	1,133.41	(364.88)
(Increase)/Decrease in inventories	8.29	46.85
Increase/(Decrease) in trade payables	(529.35)	1,105.38
(Increase)/Decrease in other financial assets	231.75	(568.03)
(Increase)/decrease in other current assets	1,277.43	4,968.92
Increase/(decrease) in provisions	12.93	78.15
Increase/ (decrease) in other financial liabilities	560.76	(264.17)
Increase/ (decrease) in other liabilities	(581.90)	(66.04)
Cash generated from operations	(1,290.33)	(950.03)
Income taxes (paid)/Refund (net)	18.21	642.54
Net cash inflow / (outflow) from operating activities	(1,272.12)	(307.49)
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(0.80)	(0.14)
Purchase of Other Intangible assets	(10.50)	(10.50)
Proceeds from sale of Property, Plant and Equipment	-	-
Deposits matured/(made) during the year	(321.51)	(1.83)
Interest received	247.54	107.39
Net cash inflow / (outflow) from investing activities	(85.27)	94.92
Cash flows from financing activities		
Proceeds from borrowings	277.61	3,992.28
Repayment of borrowings	(21.49)	(2,998.11)
Lease Repayment	(73.06)	(87.60)
Finance Cost	(66.92)	(158.18)
Net cash inflow / (outflow) from financing activities	116.14	748.39
Net increase / (decrease) in cash and cash equivalents	(1,241.25)	535.82
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	1,706.98	2,948.23

Kolkata
5th June, 2024

Pradyuman Baidya

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Pradyuman Baidya
Chief Financial Officer

ASIM KUMAR BARMAN

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Asim Kumar Barman
Director (Suspended)

DIN 02373956

Ravi Sethia

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ANIRUDDHA SENGUPTA

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

McNally Bharat Engineering Company Limited

Notes to the Statement of Audited Standalone Financial Results for the Year ended 31st March, 2024

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being C.P (IB) No. 891/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, while disposing off, admitted the application vide order dated 29.04.2022 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional (IRP). Thereafter, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dt.26.08.22. Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest with the IRP/Resolution Professional (RP).
2. Committee of creditors (COC) was constituted on 18.05.2022 on the basis of collation of all claims by the IRP and the report is submitted to NCLT by IRP. The COC has been further reconstituted from time to time by the IRP/RP (last such reconstitution on 29.12.2022) and intimation filed with the Hon'ble NCLT, Kolkata Bench.
3. The Resolution Plan of one of the Resolution Applicants has received the approval of COC by the requisite majority, in terms of the Insolvency and Bankruptcy Code, 2016 and COC authorised the RP to issue the Letter of Intent in terms of the request for Resolution Plan and thereafter submit the application before the Hon'ble NCLT Court for final approval of the Resolution Plan. The application had been submitted before the Hon'ble NCLT Court on 3rd August, 2023.
4. The Hon'ble National Company Law Tribunal, Kolkata bench-Court-I (NCLT) has approved the Resolution plan of one of the successful resolution applicants, namely M/s BTL EPC LTD vide its order dated 19.12.2023. . Accordingly, the financial result of the company has been prepared on a going concern basis.

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

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

(b) The company had received regulatory Enquiries/Notices/Summons/Show-Cause/Demand/Orders from various government authorities such as Goods and Services Tax, Income Tax. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code,2016 is applicable on the till the effective date of the NCLT order. Therefore, no impact has been considered in these results as of now.
6. The above results have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. The Company is primarily engaged in the business of Construction and Engineering activities hence no separate disclosure has been made for segment reporting as per IND AS 108-Operating Segments.

8. i) The Company has been categorised as Non-Performing Asset by the lender banks and the majority of the Lender Banks stopped debiting interest on their outstanding debts. After the company was admitted in NCLT, the Lender Banks submitted their claims to the IRP/RP amounting to Rs 3,62,003.83 lakhs (including interest) out of which claims amounting to Rs. 3,61,778.21 lakhs have been admitted. The company has provisionally accounted for interest from the date of categorisation as Non-Performing Asset by lender banks till 31.03.2024 amounting to Rs.2,34,818.68 lakhs out of which interest amounting to Rs. 64,851.16 Lakhs has been recognised during the year ended 31st march, 2024 under the head 'Finance Cost'.

ii) Financial Creditors other than lender banks have also submitted their claims to RP amounting to Rs. 2,03,216.42 Lakhs out of which Rs.1,14,120.40 lakhs have been admitted by RP. The company has provisionally accounted for interest till 31.03.2024 amounting to Rs.23,611.42 lakhs Out of which amounting to Rs.7,375.16 lakhs recognised during the year ended 31st March, 2024 under the head 'Finance Cost'.

iii) Apart from above, claim of M/s EIG (Mauritius) Ltd was admitted by RP as per arbitration award to the tune of Rs. 7,773.61 lakhs which has been recognised in the books as 'Exceptional Item' and consequent interest of Rs. 1,996.53 lakhs thereon till 31.03.2024 (out of which interest amounting to Rs.1,107.59 Lakhs have been recognised during the year ended 31st March, 2024) have also been provided under "Finance Cost".

The operational creditors have also submitted claims to the IRP/RP amounting to Rs. 53,320.16 lakhs, out of which RP has admitted claims of Rs.18,401.82 lakhs.

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

10. Trade Receivables, Other Financial Assets, Other Current Assets, Trade Payable and Advance from customers are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Further, the reconciliation activity by the management is under process and the effects of the reconciliation activity shall be accounted once the reconciliation process is complete. The management, however, does not expect any material variation, Management is also hopeful for recovery/realisation of receivables which include Rs.41,093.12 lakhs under arbitration till 31st, March 2024 in the normal course of business, hence no impairment has been considered at this stage.
11. Project business is subject to quarterly variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
12. Previous period figure have been reclassified/ regrouped / rearranged, wherever found to be necessary to make them comparable with the current period/ year figure.

**Pradyu
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Baidya**

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Pradyuman Baidya
DN: cn=Pradyuman Baidya,
o=McNally Bharat
Engineering Company Ltd,
ou=Finance,
email=pradyuman.baidya
@mbecl.co.in, c=IN
Date: 2024.06.05 19:20:21
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Pradyuman Baidya
Chief Financial Officer

**Ravi
Sethia**

Digitally signed
by Ravi Sethia
Date: 2024.06.05
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Ravi Sethia
Chairperson of Monitoring Committee
(Erstwhile R.P.)

**ASIM
KUMAR
BARMAN**

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by ASIM KUMAR
BARMAN
Date: 2024.06.05
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Asim Kumar Barman
Director (Suspended)
DIN no. 02373956

**ANIRU
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PTA**

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ANIRUDDHA
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Date:
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Place: Kolkata

Dated: 05.06.2024

Statement on Impact of Audit Qualifications on Standalone Financial Results for the Financial Year ended March 31, 2024

[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	Not adjusted [Refer II(a,b,c) below]
	2	Total Expenditure	Not adjusted [Refer II(a,b,c) below]
	3	Net Profit/(Loss)	Not adjusted [Refer II(a,b,c) below]
	4	Earnings Per Share	Not adjusted [Refer II(a,b,c) below]
	5	Total Assets	Not adjusted [Refer II(a,b,c) below]
	6	Total Liabilities	Not adjusted [Refer II(a,b,c) below]
	7	Net Worth	Not adjusted [Refer II(a,b,c) below]
	8	Any other financial item(s) (as felt appropriate by the management)	
II Audit Qualification (each audit qualification separately):			
A	a. Details of Audit Qualification:	a) Current Assets, Current Liabilities and Capital work-in-progress	
		<p>i. We draw attention to Note 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.</p> <p>ii. Further, Claims Recoverable (BG Encashed) amounting to Rs. 36,183.70 Lakhs, including Rs. 11,677.58 Lakhs under arbitration whose fair value is Rs. 21,454.57 Lakhs are doubtful. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.</p> <p>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 evidence, we are unable to ascertain the impact/adjustments required and comment on the same.</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:	Not applicable	
	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:	Recoverability of Claims Recoverable, Trade Receivables, Other Financial Assets and Other Current Assests depends upon the outcome of Arbitration Agreed.	
	(iii) Auditors' Comments on (i) or (ii) above:		
B	a. Details of Audit Qualification:	b) Non-adjustment of the Carrying Value of Loans	
		<p>In earlier years, the Company had given unsecured loans 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 the absence of any further communication between the Company and VSPL in the current year, we are unable to comment on the realizability of loan and its interest and consequential adjustment to be made in the books.</p> <p>This constitutes a material departure Standard - 109 "Financial Instrument".</p>	

Statement on Impact of Audit Qualifications on Standalone Financial Results for the Financial Year ended March 31, 2024

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

	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:	Not applicable
	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:	In the absence of any further communication with Vedica, the company is unable to estimate the impact.
	(iii) Auditors' Comments on (i) or (ii) above:	Agreed.
	C. Details of Audit Qualification:	<p>c) Recognition of Deferred Tax Assets</p> <p>Note 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.</p> <p>The Company has been continually incurring losses and its net worth has been fully eroded. We are unable to obtain sufficient appropriate evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 31st March, 2024.</p> <p>This constitutes a material departure from the requirements of Indian Accounting Standard 12 "Income Taxes".</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:	Not applicable
	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:	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.
	(iii) Auditors' Comments on (i) or (ii) above:	Agreed.
Signatories:		
III	• Chief Executive Officer	
	• Chief Financial Officer	<p>Pradyuman Baidya</p> <p><small>Digitally signed by Pradyuman Baidya DN: cn=Pradyuman Baidya, o=McNally Bharat Engineering Company Ltd, ou=Finance, email=pradyuman.baidya@mbecl.co.in, c=IN Date: 2024.06.05 19:21:08 +05'30'</small></p>
	• Audit Committee Chairman (Suspended)	<p>ASIM KUMAR BARMAN</p> <p><small>Digitally signed by ASIM KUMAR BARMAN Date: 2024.06.05 19:09:52 +05'30'</small></p>

Statement on Impact of Audit Qualifications on Standalone Financial Results for the Financial Year ended March 31, 2024

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

•	Ravi Sethia (Taken on Record) Chairman of the Monitoring Committee	Ravi Sethia <small>Digitally signed by Ravi Sethia Date: 2024.06.05 20:17:11 +05'30'</small>
•	Statutory Auditor	ANIRUDDHA SENGUPTA <small>Digitally signed by ANIRUDDHA SENGUPTA Date: 2024.06.05 20:47:29 +05'30'</small>
Place: Kolkata Date: 5th June , 2024		

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 the Audited Consolidated Financial Results of McNally Bharat Engineering Company Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Audit Report The Monitoring Committee of McNally Bharat Engineering Company Limited

1. Adverse Opinion

We have audited the accompanying Statement of 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 year ended 31st March 2024 (“the Statement”), being compiled and submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19th July, 2019 (“the Circular”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate audited financial statements of subsidiary, the aforesaid financial results;

- a. includes the results of the subsidiaries as stated in Para 3 (f),
- b. has been presented, except for the matter dealt with in Basis for Adverse Opinion Para (Para No. 2), in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard, and
- c. does not give, due to the significance of the matter described in the Basis for Adverse Opinion Para, a true and fair view, in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss, total comprehensive income and other financial information for the quarter and year ended on 31st March, 2024.

2. Basis for Adverse Opinion

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

- i. We draw attention to **Note 11** 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. 36,183.70 Lakhs, including Rs. 11,677.58 Lakhs under arbitration whose fair value is Rs. 21,454.57 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 has been no material movement in Capital Work-in-Progress amounting to Rs.462.62 Lakhs, since 31st March, 2016. In the absence of any 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 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 10 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. We are unable to obtain sufficient appropriate evidence with respect to the management’s assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 31st March, 2024.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in the “*Auditor’s Responsibilities for the Audit of the Consolidated Financial Results*” section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

3. Emphasis of Matters

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

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

Note 1 to 4 to the Statement informs that the Hon’ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the 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. On the 19th of December, Hon’ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon’ble NCLT, the Implementation and Monitoring Committee (“IMC”) is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation. However, the effect of the order on the financial result of the Company shall be done only after fulfilling the condition as per the NCLT order and the resolution plan submitted by the Resolution Applicant.

b) Material Uncertainty Related to Going Concern

Note 4 to the Statement that the Group has incurred a net loss of Rs. 25,179.99 Lakhs (before comprehensive income) and Rs. 88,319.63 lakhs (before comprehensive income) during quarter and year ended 31st March, 2024 respectively and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and customers. These events and conditions indicate a material uncertainty which may cast a significant doubt on the Group’s ability to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the successful implementation of the resolution plan as approved by the Hon’ble National Company Law Tribunal. However, we could not gather sufficient evidence with respect to the management’s assertion and are in the absence of documents/evidence unable to comment on the preparation of the Statement.

c) Non- Assessment of Pending Litigations

Note 6 of 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, the Holding Company has recognized interest expense for the year ended 31st March, 2024 on Bank Borrowings, Inter Corporate Deposits, and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 73,333.91 Lakhs (including Rs. 19,566.22 Lakhs recognized in the current quarter) as estimated by the management.

e) Dematerialization of the Shares

The Ministry of Corporate Affairs vide notification dated September 10, 2018, inserted Rule 9A in the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('PAS Rules'), mandating every unlisted public company to hold and issue securities only in dematerialized form.

As per the audit report issued by the component auditor, McNally Bharat Equipments Limited has defaulted in complying with this requirement.

f) 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.

4. Management's Responsibilities for the Consolidated Financial Results

The management under monitoring committee is responsible for the preparation and presentation of the Statement that give a true and fair view of the loss and other comprehensive income 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 Companies Act, 2013 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 Group 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 Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, the management under monitoring committee of the Holding Company is responsible for assessing the ability of the companies under the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The management under monitoring committee is also responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objective is to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Consolidated 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. Under Section 143 (3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management under monitoring committee.
- Conclude on the appropriateness of the management under monitoring committee'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 Group'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 Consolidated 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.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated 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.

6. Other Matters

- a)** The Consolidated Financial Results include the unaudited Financial Information/Results of two foreign subsidiaries and audited Financial Information/Results of one Indian subsidiary whose Interim Financial information/results reflect the Group's share of total assets of Rs. 268.12 Lakhs as at 31st March, 2024, Group's share of total revenue of Rs.198.33 Lakhs for the financial year ended 31st March 2024 and Group's share of total net profit of Rs.6.66 Lakhs for the financial year ended 31st March 2024, as considered in the Consolidated Financial Results. These Financial Information/Results have been furnished to us by the management under monitoring committee 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 interim Financial Information/Results. In our opinion and according to the information and explanations given to us by the management under the RP, these interim financial information/results are not material to the Group.

- b) The Consolidated Financial Results include the results for the quarter ended 31st March, 2024 being the derived figure between the audited figure in respect of the full financial year and the published unaudited year-to-date figure up to the third quarter of the current financial year which were subjected to a limited review by us, as required under the Listing Regulation.

Our conclusion is not modified in respect of these matters.

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

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by ANIRUDDHA
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Date: 2024.06.05
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(Aniruddha Sengupta)
Partner

Membership No. 051371
UDIN: 24051371BKFAFR3456

Place: Kolkata
Date: 5th June 2024

McNALLY BHARAT ENGINEERING COMPANY LIMITED

CIN: L45202WB1961PLC025181

Regd. Office: 4 MANGOE LANE, Kolkata 700 001

Web: www.mcnallybharat.com, Email id: mbe.corp@mbeci.co.in, Phone no: +91-33-68311001 /+91-33-68311212

Statement of Consolidated Audited Financial Results for the quarter and year ended 31st March, 2024

(Amount in lakhs, unless otherwise stated)

Particulars	For The Three months ended			For The Year ended	
	31st March 2024	31st December 2023	31st March 2023	31st March 2024	31st March 2023
	Audited	Unaudited	Audited	Audited	Audited
1 Revenue from operations	4,035.31	3,995.53	9,034.21	16,811.26	38,078.60
2 Other income	1,468.43	1,038.09	236.84	4,739.84	4,381.68
3 Total income (1+2)	5,503.74	5,033.62	9,271.05	21,551.10	42,460.28
4 Expenses					
(a) Cost of materials consumed	1,259.77	1,864.51	5,582.60	7,552.24	21,440.63
(b) Changes in Inventories of work-in-progress and finished goods	-	-	123.00	-	(83.00)
(c) Outsourcing expenses to job workers	1,791.43	2,444.56	2,173.65	7,552.31	9,644.30
(d) Employee benefits expense	620.01	628.03	1,393.13	2,962.03	6,279.57
(e) Finance costs	20,506.61	19,832.94	17,340.57	83,377.18	1,93,863.72
(f) Depreciation and amortisation expense	76.52	79.43	202.37	320.90	1,004.87
(g) Other expenses	6,427.06	453.29	8,530.61	8,103.74	32,803.02
Total expenses	30,681.40	25,302.76	35,345.93	1,09,868.40	2,64,953.11
5 Profit/ (Loss) before tax and Exceptional Items (3-4)	(25,177.66)	(20,269.14)	(26,074.88)	(88,317.30)	(2,22,492.83)
6 Exceptional Items	-	-	10,163.85	-	2,390.24
Profit / (Loss) before tax (5+6)	(25,177.66)	(20,269.14)	(15,911.03)	(88,317.30)	(2,20,102.59)
7 Tax expenses:					
(a) Current tax	2.33	-	(20.31)	2.33	2.69
(b) Tax for Earlier Year	-	-	-	-	(22.89)
(c) Deferred tax	-	-	6,234.00	-	6,233.89
8 Profit / (Loss) for the period/year	(25,179.99)	(20,269.14)	(22,124.72)	(88,319.63)	(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	79.27	14.02	(81.05)	77.41	(22.96)
(b) Items that will be reclassified to profit or loss :					
Exchange Difference on translation of foreign operations	(8.47)	65.09	-	(13.25)	-
Total other comprehensive income (net of income tax)	70.80	79.11	(81.05)	64.16	(22.96)
10 Total comprehensive income for the period/year (8+9)	(25,109.19)	(20,190.03)	(22,205.77)	(88,255.47)	(2,26,339.24)
11 Profit/(Loss) attributable to:					
Owners of the Holding Company	(25,179.97)	(20,269.09)	(22,898.32)	(88,319.67)	(2,27,060.38)
Non-Controlling interest	(0.02)	(0.05)	773.60	0.04	744.10
Total	(25,179.99)	(20,269.14)	(22,124.72)	(88,319.63)	(2,26,316.28)
12 Other Comprehensive income is attributable to :					
Owners of the Holding Company	70.80	79.11	(70.36)	64.16	(17.06)
Non-Controlling interest	-	-	(10.69)	-	(5.90)
Total	70.80	79.11	(81.05)	64.16	(22.96)
13 Total Comprehensive income is attributable to :					
Owners of the Holding Company	(25,109.17)	(20,189.98)	(22,968.68)	(88,255.51)	(2,27,077.44)
Non-Controlling interest	(0.02)	(0.05)	762.91	0.04	738.20
Total	(25,109.19)	(20,190.03)	(22,205.77)	(88,255.47)	(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
15 Reserve excluding revaluation reserve	-	-	-	(4,41,891.17)	(3,53,635.54)
16 Earnings Per Share (of Rs. 10/- each) (not annualised):					
Basic (Rs.)	(11.90)	(9.58)	(10.82)	(41.74)	(107.32)
Diluted (Rs.)	(11.90)	(9.58)	(10.82)	(41.74)	(107.32)

Pradyuman
Baidya

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DN: cn=Pradyuman Baidya, o=McNally
Bharat Engineering Company Ltd,
ou=Finance,
email=pradyuman.baidya@mbeci.co.in,
c=IN
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Ravi
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Place: Kolkata
Date: 5th June 2024

Pradyuman Baidya
Chief Financial Officer

Asim Kumar Barman
Director (Suspended)
DIN: 02373956

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

McNALLY BHARAT ENGINEERING COMPANY LIMITED CIN: L45202WB1961PLC025181 Regd. Office: 4 MANGO LANE, Kolkata 700 001 Web: www.mcnallybharat.com, Email id: mbe.corp@mbecl.co.in, Phone no: +91-33-68311001 /+91-33-68311212 Consolidated Statement of Asset and Liabilities as at 31st March, 2024 (Amount in lakhs, unless otherwise stated)		
Particulars	As at 31st March 2024 (Audited)	As at 31st March 2023 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,420.57	1,670.83
Right to use assets	32.49	97.47
Capital work-in-progress	462.62	462.62
Goodwill	-	-
Other Intangible assets	62.20	56.54
Investment Properties	-	-
Financial assets	-	-
i. Investments	126.15	114.85
ii. Trade receivables	-	-
iii. Other financial assets	27.60	20.50
Deferred tax assets	51,706.60	51,706.60
Other non-current assets	-	-
Total non-current assets	53,838.23	54,129.41
Current assets		
Inventories	37.12	74.68
Financial assets	-	-
i. Trade receivables	74,241.16	75,293.73
ii. Cash and cash equivalents	1,743.73	3,012.10
iii. Bank balances other than (ii) above	325.16	11.37
iv. Loans	1,816.01	1,828.12
v. Other financial assets	28,132.37	34,321.14
Current tax assets(net)	227.46	234.73
Other current assets	39,572.94	40,846.20
Total current assets	1,46,095.95	1,55,622.07
Total assets	1,99,934.18	2,09,751.48
EQUITY AND LIABILITIES		
Equity		
Equity share capital	21,157.08	21,157.08
Other equity	-	-
Reserves and surplus	(4,41,891.17)	(3,53,635.66)
Equity attributable to owners of the Holding Company	(4,20,734.09)	(3,32,478.58)
Non-controlling interests	0.15	0.11
Total equity	(4,20,733.94)	(3,32,478.47)
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
i. Borrowings	115.00	115.00
ii. Lease Liabilities	-	24.22
Provisions	199.18	259.06
Total non-current liabilities	314.18	398.28
Current liabilities		
Financial Liabilities		
i. Borrowings	3,10,530.86	3,10,324.52
ii. Lease Liabilities	38.76	87.60
iii. Trade payables	-	-
-Total outstanding dues of Micro, Small and Medium Enterprises	187.12	184.22
-Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	22,436.37	22,893.20
iii. Other financial liabilities	2,82,530.61	2,03,112.60
Other current liabilities	4,542.50	5,137.21
Provisions	87.72	92.32
Total current liabilities	6,20,353.94	5,41,831.67
Total liabilities	6,20,668.12	5,42,229.95
Total equity and liabilities	1,99,934.18	2,09,751.48

Place: Kolkata
Date: 5th June 2024

**Pradyuman
Baidya**

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Bharat Engineering Company Ltd.,
ou=Finance,
email=pradyuman.baidya@mbecl.co.in, c=IN
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Pradyuman Baidya
Chief Financial Officer

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Asim Kumar Barman
Director (Suspended)
DIN: 02373956

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**Ravi
Sethia**

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

McNally Bharat Engineering Company Limited
Consolidated Statement of cash flows for the year ended March 31, 2024

(Amount in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Audited	Audited
Cash flow from operating activities		
Profit before income tax	(88,317.30)	(2,20,102.59)
Adjustments for		
Exceptional item	-	(2,390.24)
Depreciation	320.90	1,004.87
Finance Cost	83,377.18	1,93,863.72
Interest Income	(4,232.50)	(3,887.16)
Loss/(Profit) on Disposal of Property, Plant and Equipment (Net)	-	0.68
Goodwill Written off	-	1,162.64
Provision for Slow moving Stock	29.27	44.29
Liquidated Damages	-	6,349.88
Bad Debts Written Off	9.99	4,487.14
Provision for Expected Credit Loss on Trade Receivables and due from customers	(105.77)	14,193.46
Liability no longer required written back	(1.33)	-
Claim recoverable Written Off	-	841.35
Provision for Future Foreseeable Losses in Construction Contracts	5,522.86	(533.78)
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	13.15	141.99
Foreign Currency Translation Reserve	-	10.51
Net (gain)/loss on financial assets measured at fair value through profit or loss	(11.29)	2.99
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	1,158.81	258.80
(Increase)/Decrease in Inventories	8.29	5,346.85
Increase/(Decrease) in trade payables	(529.24)	(2,786.00)
(Increase)/Decrease in other financial assets	199.42	4,171.24
(Increase)/decrease in other non-current assets	-	134.00
(Increase)/decrease in other current assets	1,273.26	4,220.27
Increase/(decrease) in provisions	12.93	(557.87)
Increase/ (decrease) in other financial liabilities	561.06	(5,193.59)
Increase/ (decrease) in other liabilities	(594.71)	(630.64)
Cash generated from operations	(1,305.02)	152.84
Income taxes (paid)/Refund	4.94	846.74
Net cash inflow / (outflow) from operating activities	(1,300.08)	999.58
Cash flows from investing activities		
Purchase of property, plant and equipment	(0.82)	11,410.78
Purchase of Other Intangible Asset	(10.50)	-
Loss of Control	-	(12,609.94)
Deposits matured/(made) during the year	(321.51)	128.98
Interest received	247.54	-
Net cash inflow / (outflow) from investing activities	(85.29)	(1,070.17)
Cash flows from financing activities		
Proceeds from borrowings	277.66	3,992.29
Repayment of borrowings	(21.49)	(3,000.17)
Lease Repayment	(73.06)	(275.66)
Finance Cost	(66.92)	(158.18)
Net cash inflow / (outflow) from financing activities	116.19	558.27
Net increase / (decrease) in cash and cash equivalents	(1,269.18)	487.68
Cash and cash equivalents at the beginning of the financial year	3,012.10	4,502.27
Loss of Control	-	1,978.00
Effects of exchange rate changes on cash and cash equivalents	0.81	0.15
Cash and cash equivalents at end of the year	1,743.73	3,012.10

Place: Kolkata
Date: 5th June 2024

Pradyuman Baidya
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 DN: cn=Pradyuman Baidya, o=McNally Bharat Engineering Company Ltd, ou=Finance, email=pradyuman.baidya@mbcecl.co.in, c=IN
 Date: 2024.06.05 19:24:03 +05'30'
 Pradyuman Baidya
Chief Financial Officer

ASIM KUMAR BARMAN
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 Date: 2024.06.05 19:10:34 +05'30'
 Asim Kumar Barman
Director (Suspended)
DIN: 02373956

Ravi Sethia
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 Date: 2024.06.05 20:18:41 +05'30'
 Ravi Sethia
(Taken on record)
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

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McNally Bharat Engineering Company Limited

Notes to the Statement of Audited Consolidated Financial Results for the Year ended 31st March, 2024

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being C.P (IB) No. 891/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, while disposing off, admitted the application vide order dated 29.04.2022 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional (IRP). Thereafter, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dt.26.08.22. Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest with the IRP/Resolution Professional (RP).
2. Committee of creditors (COC) of the Holding Company has been constituted on 18.05.2022 on the basis of collation of all claims by the IRP and report is submitted to NCLT by IRP. The COC has been further reconstituted from time to time by the IRP/RP (last such reconstitution on 29.12.2022) and intimation filed with the Hon'ble NCLT, Kolkata Bench.
3. The Resolution Plan of one of the Resolution Applicants has received the approval of COC by requisite majority, in term of the Insolvency and Bankruptcy Code, 2016 and COC authorised the RP to issue the Letter of Intent in term of the request for Resolution Plan and thereafter submit the application before the Hon'ble NCLT Court for final approval of the Resolution Plan. The application had been submitted before the Hon'ble NCLT Court on 3rd August, 2023.
4. The Hon'ble National Company Law Tribunal, Kolkata bench-Court-I (NCLT) has approved the Resolution plan of the successful resolution applicant, namely M/s BTL EPC LTD vide its order dated 19.12.2023. Accordingly, the financial result of the Holding Company has been prepared on a going concern basis
5. The above consolidated financial results have been prepared in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with the SEBI circular dated July 05, 2016
6. (a) There shall be a moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the approval of the Resolution plan which has been duly approved by the Hon'ble NCLT via order dated December 19, 2023. The Resolution plan is yet to be implemented.

(b) The Holding Company had received regulatory Enquiries/Notices/Summons/Show-Cause/Demand/Orders from various government authorities such as Goods and Services Tax, Income Tax. In view of Holding Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 is applicable on the till the effective date of the NCLT order. 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 a Non-Performing Asset by the lender banks and the majority of the Lender Banks have stopped debiting interest on their outstanding debts. After the Holding company was admitted in NCLT, the Lender Banks submitted their claims to the IRP/RP amounting to Rs 3,62,003.83 lakhs (including interest) out of which claims amounting to Rs. 3,61,778.21 lakhs have been admitted. The Holding company has provisionally accounted for interest from date of categorisation as Non-Performing Asset by lender banks till 31st March, 2024 amounting to Rs.2,34,818.68 lakhs (out of which interest amounting to Rs 64,851.16 Lakhs has been recognized during the year ended 31st March, 2024) under the head 'Finance Cost'.

ii) Financial Creditors other than lender banks of the Holding Company have also submitted their claims to RP amounting to Rs.2,03,216.42 lakhs out of which Rs.1,14,120.40 lakhs have been admitted by RP. The Holding Company has provisionally accounted for interest till 31st March 2024 amounting to Rs.23,611.42 lakhs (Out of which amounting to Rs.7,375.16 lakhs recognised during the year ended 31st March, 2024) under the head 'Finance Cost'.

iii) Apart from above, claim of M/s EIG (Mauritius) Ltd against Holding Company was admitted by RP as per arbitration award to the tune of Rs. 7,773.61 lakhs which has been recognised in the books as 'Exceptional Item' and consequent interest of Rs. 1,996.53 lakhs thereon till 31.03.2024 (out of which interest amounting to Rs.1,107.59 Lakhs have been recognised during the year ended 31st March, 2024) have also been provided under "Finance Cost".

The operational creditors of the Holding Company have also submitted claims to the IRP/RP amounting to Rs 53,320.16 lakhs, out which RP has admitted claims of Rs.18,401.82 lakhs,

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

11. Trade Receivables, Trade Payables, Advance from customers, Other Financial Assets and Other Current Assets are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Further, the reconciliation activity by the management of the Holding Company is under process and the effects of the reconciliation activity shall be accounted once the reconciliation process is complete. The management, however, does not expect any material variation, Management is also hopeful for recovery/realisation of receivables which include Rs.41,093.12 Lakhs under arbitration till 31st, March 2024 in the normal course of business, hence no impairment has been considered at this stage.
12. Project business is subject to quarterly variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
13. Previous period figures have been reclassified/ regrouped / rearranged, wherever found to be necessary to make them comparable with the current period/ year figure.

**Ravi
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o=McNally Bharat Engineering
Company Ltd, ou=Finance,
email=pradyuman.baidya@mbeck.
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Pradyuman Baidya
Chief Financial Officer

Ravi Sethia
Chairperson of Monitoring Committee
(Erstwhile R.P.)

**ASIM
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by ASIM KUMAR
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Date: 2024.06.05
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Asim Kumar Barman
Director (Suspended)
DIN no. 02373956

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Place: Kolkata
Dated: 05.06.2024

Statement on Impact of Audit Qualifications on Consolidated Financial Results for the Financial Year ended March 31, 2024

[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	21,551.10	Not adjusted [Refer II(a,b,c) below]
	2	Total Expenditure	1,09,868.40	Not adjusted [Refer II(a,b,c) below]
	3	Net Profit/(Loss)	-88,317.30	Not adjusted [Refer II(a,b,c) below]
	4	Earnings Per Share	-41.74	Not adjusted [Refer II(a,b,c) below]
	5	Total Assets	1,99,934.18	Not adjusted [Refer II(a,b,c) below]
	6	Total Liabilities	6,20,668.12	Not adjusted [Refer II(a,b,c) below]
	7	Net Worth	-4,20,733.94	Not adjusted [Refer II(a,b,c) below]
	8	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
A	a. Details of Audit Qualification:		a) Current Assets, Current Liabilities and Capital work-in-progress	
			<p>We draw attention to Note 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.</p> <p>ii. Further, Claims Recoverable (BG Encashed) amounting to Rs. 36,183.70 Lakhs, including Rs. 11,677.58 Lakhs under arbitration whose fair value is Rs. 21,454.57 Lakhs are doubtful. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.</p> <p>iii. There has been no material movement in Capital Work-in-Progress amounting to Rs.462.62 Lakhs, since 31st March, 2016. In the absence of any evidence, we are unable to ascertain the impact/adjustments required and comment on the same.</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:		Not applicable	
	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:	Recoverability of Trade Receivables, Other Financial Assets and Other Current Assests depends upon the outcome of Arbitration Orders and confirmation / reconciliation with parties as stated in Note No 12. Therefore, adjustments / impacts with respect to these are currently not ascertainable. Current Liabilities and Capital Work in Progress is under confirmation and reconciliation with the parties. Therefore adjustment / impacts with respect to these are currently not ascertainable.	
	(iii)	Auditors' Comments on (i) or (ii) above:	Agreed	

Statement on Impact of Audit Qualifications on Consolidated Financial Results for the Financial Year ended March 31, 2024

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

B	a. Details of Audit Qualification:	<p>b) Non-adjustment of the Carrying Value of Loans</p> <p>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 year, we are unable to comment on the realizability of the loan and its interest and consequential adjustment to be made in the books.</p> <p>This constitutes a material departure from the requirements of Indian Accounting Standard – 109 "Financial Instrument".</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:	Not applicable
	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:	In the absence of any further communication with Vedica, the company is unable to estimate the impact.
	(iii) Auditors' Comments on (i) or (ii) above:	Agreed
	C. Details of Audit Qualification:	<p>c) Recognition of Deferred Tax Assets</p> <p>Note 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.</p> <p>The Holding Company has been continually incurring losses and its net worth has been fully eroded. We are unable to obtain sufficient appropriate evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 31st March, 2024.</p> <p>This constitutes a material departure from the requirements of Indian Accounting Standard 12 "Income Taxes".</p> <p>We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.</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:	Not applicable

Statement on Impact of Audit Qualifications on Consolidated Financial Results for the Financial Year ended March 31, 2024**[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

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:	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.
(iii)	Auditors' Comments on (i) or (ii) above:	Agreed

Signatories:

III	•	Chief Executive Officer	
	•	Chief Financial Officer	Pradyuman Baidya Digitally signed by Pradyuman Baidya DN: cn=Pradyuman Baidya, o=McNally Bharat Engineering Company Ltd, ou=Finance, email=pradyuman.baidya@mbeci.co.in, c=IN Date: 2024.06.05 19:27:22 +05'30'
	•	Audit Committee Chairman (Suspended)	ASIM KUMAR BARMAN Digitally signed by ASIM KUMAR BARMAN Date: 2024.06.05 19:11:13 +05'30'
	•	Ravi Sethia (Taken on Record) Chairman of the Monitoring Committee	Ravi Sethia Digitally signed by Ravi Sethia Date: 2024.06.05 20:19:58 +05'30'
	•	Statutory Auditor	ANIRUDDHA SENGUPTA Digitally signed by ANIRUDDHA SENGUPTA Date: 2024.06.05 20:50:06 +05'30'
Place: Kolkata			
Date: 5th June, 2024			