

The Board of Directors  
McNally Bharat Engineering Company Limited  
4 Mangoe Lane  
Kolkata - 700001.

1. We have reviewed the results of McNally Bharat Engineering Company Limited (the "Company") for the quarter ended September 30, 2014 which are included in the accompanying 'Statement of Standalone Unaudited Results for the Quarter and 6 months ended September 30, 2014' and the statement of assets and liabilities' as on that date (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of 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. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants



Prabal Kr. Sarkar  
Partner  
Membership Number: 52340

Kolkata  
November 14, 2014

**McNALLY BHARAT ENGINEERING COMPANY LIMITED**  
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 Web: www.mcnallybharat.com, Email id: mbe.corp@mbecl.co.in, Phone no: (033) 6628-1111  
 CIN: L45202WB1961PLC025181  
 Statement of Standalone Unaudited Results for the Quarter and 6 months ended 30th September, 2014

**PART I**

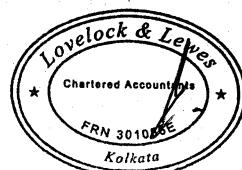
(All figures in Rs. Lakhs, unless otherwise stated)

Sl. No.	Particulars (Refer Notes Below)	3 months	Preceding	Corresponding	Year to date	Year to date	Previous year
		ended	3 months ended	3 months ended	figures for	figures for	ended
		30/09/2014	30/06/2014	30/09/2013	current year	previous year	ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income from operations</b>						
	(a) Net Sales/ Income from operations (Net of Excise Duty)	56,241	40,906	47,456	97,147	91,724	213,196
	(b) Other operating income	82	68	576	160	914	1,182
	<b>Total income from operations (net)</b>	<b>56,333</b>	<b>40,974</b>	<b>48,032</b>	<b>97,307</b>	<b>92,538</b>	<b>214,378</b>
2	<b>Expenses</b>						
	a. Changes in inventories of finished goods, work in progress and stock in trade	-	-	-	-	-	-
	b. Cost of materials consumed	27,994	16,047	16,281	44,041	37,032	95,053
	c. Purchases of stock-in-trade	-	-	-	-	-	-
	d. Outsourcing expenses to outsiders for job work	13,363	13,150	14,690	26,513	24,755	56,686
	e. Employee benefit expenses	3,395	3,533	4,036	6,928	7,979	15,847
	f. Depreciation and amortisation expenses	1,126	504	475	1,630	916	1,910
	g. Other expenses	5,941	4,865	8,251	10,806	13,842	30,168
	<b>Total expenses</b>	<b>51,819</b>	<b>38,099</b>	<b>43,733</b>	<b>89,918</b>	<b>84,524</b>	<b>199,664</b>
3	<b>Profit/(Loss) from Operations before other income, finance cost, provision for onerous contracts and exceptional items (1-2)</b>	<b>4,514</b>	<b>2,875</b>	<b>4,299</b>	<b>7,389</b>	<b>8,114</b>	<b>14,714</b>
4	<b>Other Income</b>	146	213	109	359	211	1,173
	<b>Profit/(Loss) from ordinary activities before finance costs, provision for onerous contracts and exceptional items (3+4)</b>	<b>4,660</b>	<b>3,088</b>	<b>4,408</b>	<b>7,748</b>	<b>8,325</b>	<b>15,887</b>
5	<b>Finance costs</b>	5,493	4,520	4,113	10,013	7,404	15,124
6	<b>Profit/(Loss) from ordinary activities after finance costs but before provision for onerous contracts and exceptional items (5-6)</b>	<b>(833)</b>	<b>(1,432)</b>	<b>295</b>	<b>(2,265)</b>	<b>921</b>	<b>763</b>
7	<b>Provision for onerous contracts</b>	-	-	-	-	-	7,500
8	<b>Profit/(Loss) from ordinary activities after provision for onerous contracts but before exceptional items (7-8)</b>	<b>(833)</b>	<b>(1,432)</b>	<b>295</b>	<b>(2,265)</b>	<b>921</b>	<b>(6,737)</b>
9	<b>Exceptional items</b>	-	-	-	-	-	-
10	<b>Net Profit/(Loss) from ordinary activities before tax (9+10)</b>	<b>(833)</b>	<b>(1,432)</b>	<b>295</b>	<b>(2,265)</b>	<b>921</b>	<b>(6,737)</b>
11	<b>Tax expense</b>	-	-	132	-	340	512
12	<b>Net Profit/(Loss) from ordinary activities after tax (11-12)</b>	<b>(833)</b>	<b>(1,432)</b>	<b>163</b>	<b>(2,265)</b>	<b>581</b>	<b>(7,249)</b>
13	<b>Extraordinary item (net of tax expense Rs. NIL)</b>	-	-	-	-	-	-
14	<b>Net Profit/(Loss) for the period (13-14)</b>	<b>(833)</b>	<b>(1,432)</b>	<b>163</b>	<b>(2,265)</b>	<b>581</b>	<b>(7,249)</b>
15	<b>Paid up Equity share Capital (Face value of the share Rs. 10)</b>	3,109	3,109	3,109	3,109	3,109	3,109
16	<b>Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)</b>	-	-	-	-	-	28,745
17	<b>Earning per Share (before and after extraordinary items)</b>						
	Basic EPS (Rs.)	(2.79)	(4.71)	0.42	(7.50)	1.67	(23.72)
	Diluted EPS (Rs.)	(2.79)	(4.71)	0.42	(7.50)	1.67	(23.72)
	See accompanying note to the financial results						

**PART II : Select information for the Quarter and 6 months ended 30th September, 2014**

Sl. No.	Particulars	3 months	Preceding	Corresponding	Year to date	Year to date	Previous year
		ended	3 months ended	3 months ended	figures for	figures for	ended
		30/09/2014	30/06/2014	30/09/2013	current year	previous year	ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>A. PARTICULARS OF SHAREHOLDING</b>							
1	<b>Public Shareholding</b>						
	No. of Shares	21,048,054	21,048,054	21,056,075	21,048,054	21,056,075	21,048,054
	Percentage of Shareholding	67.69	67.69	67.72	67.69	67.72	67.69
2	<b>Promoters and Promoter Group Shareholding</b>						
	a) <b>Pledged/Encumbered</b>						
	Number of Shares	9,187,743	10,037,743	5,325,000	9,187,743	5,325,000	5,325,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	91.46	99.92	53.05	91.46	53.05	53.01
	- Percentage of shares (as a % of the total share capital of the Company)	29.55	32.28	17.12	29.55	17.12	17.13
	b) <b>Non-encumbered</b>						
	Number of shares	858,021	8,021	4,712,743	858,021	4,712,743	4,720,764
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	8.54	0.08	46.95	8.54	46.95	46.99
	- Percentage of shares (as a % of the total share capital of the Company)	2.76	0.03	15.16	2.76	15.16	15.18

Particulars		3 months ended 30/09/2014
<b>B. INVESTOR COMPLAINTS</b>		
Pending at the beginning of the quarter		NIL
Received during the quarter		NIL
Disposed of during the quarter		NIL
Remaining unresolved at the end of the quarter		NIL



Notes:-

1 Standalone Statement of Assets and Liabilities

Particulars	As at 30/09/2014 (Unaudited)	As at 31/03/2014 (Audited)
<b>A. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Fund</b>		
(a) Share capital	4,084	4,084
(b) Reserve and surplus	26,414	28,745
	30,498	32,829
<b>(2) Non Current Liabilities</b>		
(a) Long term Borrowings	6,590	7,266
(b) Deferred Tax liabilities (net)	-	-
(c) Other long term Liabilities	762	88
(d) Long term Provisions	9,539	8,116
	16,891	15,470
<b>(3) Current Liabilities</b>		
(a) Short term borrowings	125,784	92,715
(b) Trade Payables	96,538	100,710
(c) Other Current Liabilities	70,591	72,592
(d) Short Term Provision	8,384	8,513
	301,297	274,530
<b>TOTAL</b>	<b>348,686</b>	<b>322,829</b>
<b>B. ASSETS</b>		
<b>(1) Non Current Asset</b>		
(a) Fixed Assets		
(i) Tangible Assets	12,003	13,159
(ii) Intangible Assets	24	106
(iii) Capital work in Progress	819	710
(iv) Intangible asset under development	-	-
	12,846	13,975
(b) Non Current Investment	19,833	19,833
(c) Long Term Loans and Advances	4,830	2,884
(d) Other Non Current Assets	576	516
<b>(2) Current Assets</b>		
(a) Current Investments	-	-
(b) Inventories	15,184	9,380
(c) Trade Receivables	134,538	143,173
(d) Cash and Bank Balances	2,073	2,732
(e) Short Term Loans and Advances	40,016	32,345
(f) Other Current Assets	118,790	97,991
	310,601	285,621
<b>TOTAL</b>	<b>348,686</b>	<b>322,829</b>

- The above unaudited results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 14th November, 2014.
- The operation of the Company is a single segment, hence segment reporting as defined in Accounting Standard 17 is considered not applicable.
- Project business is subject to quarter to quarter variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
- Deferred tax asset has been recognised to the extent of deferred tax liability.
- The Company has charged depreciation in keeping with the requirements of Schedule II to the Companies Act, 2013. Consequently depreciation charge for the quarter and half year ended 30th September 2014 is higher by Rs.626 lakhs, Revenue by Rs. 252 lakhs and Loss from ordinary activities higher by Rs. 365 lakhs with corresponding decrease in net asset by equal amount.
- Previous year's figures have been regrouped/rearranged wherever necessary.

Kolkata  
 14th November, 2014

PRABIR GHOSH  
 WHOLETIME DIRECTOR & GROUP CFO

