

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 December 31, 2014 which are included in the accompanying 'Statement of Standalone Unaudited Results for the Quarter and 9 months ended 31st December, 2014' (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  
February 13, 2015

Statement of Standalone Unaudited Results for the Quarter and 9 months ended 31st December, 2014

PART I

Sl. No.	Particulars (Refer Notes Below)	(All figures in Rs. Lacs, unless otherwise stated)					
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year to date figures for current year	Year to date figures for previous year	Previous year
		31/12/2014 Unaudited	30/09/2014 Unaudited	31/12/2013 in the previous year Unaudited	31/12/14 Unaudited	31/12/13 Unaudited	31/03/2014 Audited
1	Income from operations						
	(a) Net Sales/ Income from operations (Net of Excise Duty)	45,852	56,241	52,168	142,709	143,892	213,196
	(b) Other operating Income	139	92	189	299	1,103	1,182
	Total Income from operations (net)	45,791	56,333	52,357	143,008	144,995	214,378
2	Expenses						
	a. Changes in inventories of finished goods work in progress and stock in trade	-	-	-	-	-	-
	b. Cost of materials consumed	18,310	27,984	23,952	62,351	60,984	95,053
	c. Purchases of stock-in-trade	-	-	-	-	-	-
	d. Outsourcing expenses to outsiders for job work	16,012	13,363	13,557	42,525	38,312	56,686
	e. Employee benefit expenses	3,239	3,395	3,857	10,164	11,836	15,847
	f. Depreciation and amortisation expenses	625	1,126	482	2,255	1,408	1,910
	g. Other expenses	5,933	5,941	6,788	18,739	20,840	30,168
	Total expenses	44,118	61,819	48,766	134,034	133,280	199,664
3	Profit/(Loss) from Operations before other income, finance cost, provision for onerous contracts and exceptional items (1-2)	1,675	4,514	3,601	9,064	11,715	14,714
4	Other Income	169	148	342	558	553	1,173
5	Profit/(Loss) from ordinary activities before finance costs, provision for onerous contracts and exceptional items (3+4)	1,874	4,660	3,943	9,622	12,268	15,887
6	Finance costs	5,157	5,493	3,566	15,170	10,970	15,124
7	Profit/(Loss) from ordinary activities after finance costs but before provision for onerous contracts and exceptional items (5-6)	(3,283)	(833)	377	(5,548)	1,298	763
8	Provision for onerous contracts	-	-	-	-	-	7,500
9	Profit/(Loss) from ordinary activities after provision for onerous contracts but before exceptional items (7-8)	(3,283)	(833)	377	(5,548)	1,298	(6,737)
10	Exceptional items	-	-	-	-	-	-
11	Net Profit/(Loss) from ordinary activities before tax (9+10)	(3,283)	(833)	377	(5,548)	1,298	(6,737)
12	Tax expense	-	-	139	-	479	512
13	Net Profit/(Loss) from ordinary activities after tax (11-12)	(3,283)	(833)	238	(5,548)	819	(7,249)
14	Extraordinary item (net of tax expense Rs. NIL)	-	-	-	-	-	-
15	Net Profit/(Loss) for the period (13-14)	(3,283)	(833)	238	(5,548)	819	(7,249)
16	Paid up Equity share Capital (Face value of the share Rs. 10)	3,109	3,109	3,109	3,109	3,109	3,109
17	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)	-	-	-	-	-	28,745
18	Earning per Share (before and after extraordinary items)						
	Basic EPS (Rs.)	(10.66)	(2.79)	0.66	(18.16)	2.33	(23.72)
	Diluted EPS (Rs.)	(10.66)	(2.79)	0.66	(18.16)	2.33	(23.72)
	See accompanying note to the financial results						

PART II : Select information for the Quarter and 9 months ended 31st December, 2014

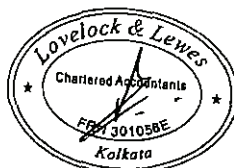
Sl. No.	Particulars	3 months	Preceding	Corresponding	Year to date	Year to date	Previous year
		ended	3 months ended	3 months ended	figures for	figures for	ended
		31/12/2014 Unaudited	30/09/2014 Unaudited	31/12/2013 in the previous year Unaudited	current year ended 31/12/14 Unaudited	previous year ended 31/12/13 Unaudited	31/03/2014 Audited
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	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	Promoters and promoter Group Shareholding						
a)	Pledged/Encumbered						
	Number of Shares	9,187,743	9,187,743	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	91.46	53.05	91.46	53.05	53.01
	- Percentage of shares (as a % of the total share capital of the Company)	29.55	29.55	17.12	29.55	17.12	17.13
b)	Non-encumbered						
	number of shares	858,021	858,021	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	8.54	46.95	8.54	46.95	46.99
	- Percentage of shares (as a % of the total share capital of the Company)	2.76	2.76	15.16	2.76	15.16	15.18

Particulars	3 months ended 31/12/2014
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	NIL
Received during the quarter	2
Disposed off during the quarter	2
Remaining unresolved at the end of the quarter	NIL

Notes:-

- 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 13th February, 2015.
- 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 nine months ended 31st December 2014 is higher by Rs.756 lakhs, Revenue by Rs. 421 lakhs and Loss from ordinary activities higher by Rs. 335 lakhs with corresponding decrease in net asset by equal amount.
- Excess Remuneration paid to certain Managerial personnel of Rs. 135.69 lakhs and Rs. 0.08 lakhs pertaining to the year 2013-14 have been refunded by the managers pursuant to Central Government letters dated 31st December, 2014 and have been credited to Employee Benefit Expenses during the current quarter.
- Previous year's figures have been regrouped/rearranged wherever necessary.

Kolkata  
13th February, 2015



PRABIN K ROY  
WHOLE TIME DIRECTOR & GROUP CFO