



McNally Bharat Engineering Company Limited

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12.02.2016

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

National Stock Exchange Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400 051

Dear Sir,

Sub: Unaudited Financial Results & Limited Review report

We enclose herewith the Unaudited Financial Results for the Quarter ended 31st December, 2015, which were taken on record by the Board of Directors of the Company at its Meeting held on date, i.e 12th February, 2016.

We also enclose herewith the Auditors' Report on Limited Review of the Unaudited Financial Results of the Company for the quarter ended 31st December, 2015.

We would also like to inform that Mr. Prasanta Kumar Chandra has been re-appointed as the Whole Time Director of the Company for a further period of three years with effect from 15th February, 2016, subject to the approval of the members and such other approvals as may be required.

Thanking you,

Yours Faithfully,

McNALLY BHARAT ENGINEERING CO. LTD.


DIBAKAR CHATTERJEE
COMPANY SECRETARY

Lovelock & Lewes

Chartered Accountants

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

1. We have reviewed the unaudited financial results of McNally Bharat Engineering Company Limited (the "Company") for the quarter ended December 31, 2015 which are included in the accompanying 'Statement of Standalone Unaudited Results for the Quarter and 9 months ended 31st December, 2015' (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The 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 Statement is 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. 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 prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 2 to the results regarding remuneration paid / payable to two whole-time directors and erstwhile Chairman of the Company, in excess of the limits prescribed under Section 197 of the Act, for which approval of the Central Government is awaited. Our conclusion is not qualified in respect of this matter.

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



Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
February 12, 2016

Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar,
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Head office: Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091

Statement of Standalone Unaudited Results for the Quarter and 9 months ended 31st December, 2015

PART I

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

Sl. No.	Particulars (Refer Notes Below)	3 months	Preceding	Corresponding	Year to date	Year to date	Previous year
		ended 31/12/2015 Unaudited	3 months ended 30/09/2015 Unaudited	3 months ended 31/12/2014 in the previous year Unaudited	figures ended 31/12/2015 Unaudited	figures for previous year ended 31/12/2014 Unaudited	ended 31/03/2015 Audited
1	Income from operations						
	(a) Net Sales/ Income from operations (Net of Excise Duty)	53,483	73,731	45,652	1,72,996	1,42,799	2,16,573
	(b) Other operating income	63	55	139	1,152	299	438
	Total income from operations (net)	53,546	73,786	45,791	1,74,148	1,43,098	2,17,011
2	Expenses						
	a. Changes in inventories of finished goods, work in progress and stock in trade	-	-	-	-	-	-
	b. Cost of materials consumed	33,750	44,694	18,310	1,03,223	62,351	1,11,193
	c. Purchases of stock-in-trade	-	-	-	-	-	-
	d. Outsourcing expenses to outsiders for job work	11,746	19,475	16,012	41,795	42,525	59,938
	e. Employee benefit expenses	2,886	2,950	3,238	8,762	10,164	13,658
	f. Depreciation and amortisation expenses	547	589	625	1,733	2,255	2,912
	g. Other expenses	5,734	6,720	5,933	18,962	18,739	25,502
	Total expenses	54,663	74,628	44,116	1,74,476	1,34,934	2,13,203
3	Profit/(Loss) from Operations before other income, finance cost, provision for onerous contracts and exceptional items (1-2)	(1,117)	(842)	1,676	(327)	9,064	3,808
4	Other income	904	401	199	1,522	558	1,189
	Profit/(Loss) from ordinary activities before finance costs, provision for onerous contracts and exceptional items (3+4)	(213)	(441)	1,874	1,195	9,622	4,997
5	Finance costs	8,347	7,504	5,157	23,655	15,170	22,519
	Profit/(Loss) from ordinary activities after finance costs but before provision for onerous contracts and exceptional items (5-4)	(8,560)	(7,945)	(3,283)	(22,460)	(5,548)	(17,522)
6	Provision for onerous contracts	-	-	-	-	-	-
	Profit/(Loss) from ordinary activities after provision for onerous contracts but before exceptional items (7-5)	(8,560)	(7,945)	(3,283)	(22,460)	(5,548)	(17,522)
7	Provision for onerous contracts written back	-	-	-	-	-	-
	Profit/(Loss) from ordinary activities after provision for onerous contracts written back but before exceptional items (8+10)	(8,560)	(7,945)	(3,283)	(22,460)	(5,548)	(17,522)
8	Exceptional items	-	-	-	-	-	-
	Net Profit/(Loss) from ordinary activities before tax (11+12)	(8,560)	(7,945)	(3,283)	(22,460)	(5,548)	(17,522)
9	Tax expense	-	-	-	-	-	-
	Net Profit/(Loss) from ordinary activities after tax (13-14)	(8,560)	(7,945)	(3,283)	(22,460)	(5,548)	(17,522)
10	Extraordinary item (net of tax expense Rs. NIL)	-	-	-	-	-	-
	Net Profit/(Loss) for the period (15-16)	(8,560)	(7,945)	(3,283)	(22,460)	(5,548)	(17,522)
11	Paid up Equity share Capital (Face value of the share Rs. 10)	5,059	5,059	3,109	5,059	3,109	4,059
12	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)	-	-	-	-	-	25,715
13	Earning per Share (before and after extraordinary items)						
	Basic EPS (Rs.)	(16.99)	(19.50)	(10.66)	(51.22)	(18.16)	(36.42)
	Diluted EPS (Rs.)	(16.99)	(19.50)	(10.66)	(51.22)	(18.16)	(36.38)
	See accompanying note to the financial results						

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 12th February, 2016.
- During the previous financial year, the Company paid managerial remuneration to its Executive Chairman and two Whole Time Directors, which were in excess of the maximum permissible limit under the Companies Act, 2013 read with Schedule V of the said Act. The Company has now taken necessary approval from its shareholder through a special resolution at the Extra Ordinary General Meeting held on July 30, 2015 and has applied to the Central Government/National Company Law Tribunal for waiver of such excess payment of remuneration to its managerial personnel.
- The Allotment Committee of the Company at its meeting held on September 28, 2015, allotted 10,000,000 Equity Shares on receipt of application money from MHC Ltd. These shares were issued at a premium of Rs.99/- per share thus resulting in an increase of Rs.1000 Lacs in Issued Capital of the Company and Rs.5000 Lacs in Share Premium.
- During the quarter ended September 30, 2015, the Company entered into an agreement with its subsidiary McNaby Sayaji Engineering Ltd (MSEL) to sell the entire holding of 99.99% of MBE Coal Mineral Technology India Pvt. Ltd., to MSEL. The rationale behind this was to synergize the business of manufacturing products required in coal and mineral beneficiation turnkey project engineering. Subsequently, on October 23, 2015, the Board of Directors of both the Companies have approved of the sale and purchase of MBE Coal and Mineral Technology India Pvt. Ltd., at a consideration of Rs. 27 crores and the same was approved by the General Body Members of MSEL at the E.G.M., held on November 23, 2015. The "Other Income" is inclusive of profit on sale of long term investment amounting to Rs. 7.90 crores.
- 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.
- These results have been covered by Limited Review by the Statutory Auditors of the Company and their observation have been dealt with in Note 2 above, which is self explanatory.
- Previous year's figures have been regrouped/rearranged wherever necessary.

Kolkata
12th February, 2016

PRABIR GHOSH
WHOLE TIME DIRECTOR & GROUP CFO

