

McNally Bharat Engineering Company Limited

CIN : L45202WB1961PLC025181
Ecospace Campus 2B - 11F/12 (Old Plot No. AA II/Blk 3)
New Town Rajarhat North 24 Parganas Kolkata 700160
T +91 33 66281111 30141111 F +91 33 66282277 30142277
Embe.corp@mbecl.co.in W www.mcnallybharat.com

September 13, 2016

Bombay Stock Exchange Limited
Floor 25, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

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

Dear Madam/Sir,

We would like to inform you that the Board of Directors at their meeting held on date, i.e. September 13, 2016, has taken on record the Unaudited Financial Results for the Quarter ended June 30, 2016 (copy enclosed). We also enclose herewith the Auditors' Report on Limited Review of the Unaudited Financial Results of the Company for the quarter ended June 30, 2016.

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 June 30, 2016 which are included in the accompanying "Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June, 2016" together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (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. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 1, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. 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 Ind AS 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.



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

T: +91 (33) 2357 9260, +91 (33) 2357 7600, F: +91 (33) 2357 7496

Lovelock & Lewes

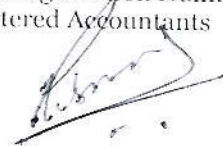
Chartered Accountants

5. We draw attention to the following matters:

- a. Note 1 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
- b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on June 30, 2015 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended June 30, 2015. As set out in Note 5 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

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



Prabal Kr. Sarkar
Partner
Membership Number: 52340

Kolkata
September 13, 2016

PART I

		(All figures in Rs. Lacs, unless otherwise stated)		
Sl. No.	Particulars (Refer Notes Below)	Current		Corresponding
		3 months ended 30-06-2016 Unaudited	3 months ended 30-06-2015 Unaudited	3 months ended in the previous year
1	Income from Operations			
	Net Sales / Income from Operations	39,193	44,671	
	Less: Excise Duty	71	52	
a	Net Sales/ Income from Operations (Net of Excise Duty)	39,122	44,619	
b	Other Operating Income	1,433	1,034	
	Total Income from Operations	40,555	45,653	
2	Expenses			
a	Cost of Materials Consumed	18,537	20,103	
b	Purchases of stock-in-trade	10,456	4,476	
c	Changes in inventories of finished goods, work in progress and stock in trade	-	-	
d	Outsourcing expenses to outsiders for job work	13,843	10,574	
e	Employee Benefits Expense	2,388	2,912	
f	Depreciation and Amortisation Expense	917	597	
g	Other Expenses	6,556	6,726	
	Total Expenses	52,707	45,388	
3	Profit/(Loss) from Operations before Other Income, Finance Cost and Exceptional Items (1-2)	(12,152)	265	
4	Other Income	571	1,223	
5	Profit/(Loss) from Ordinary activities before Finance Costs and Exceptional Items (3+4)	(11,581)	1,488	
6	Finance Costs	8,117	7,049	
7	Profit/(Loss) from Ordinary activities after Finance Costs but before Exceptional Items (5-6)	(19,698)	(5,561)	
8	Exceptional Items	-	-	
9	Profit/(Loss) from ordinary activities before tax (7+8)	(19,698)	(5,561)	
10	Tax expense	-	-	
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(19,698)	(5,561)	
12	Extraordinary item (net of tax expense Rs. NIL)	-	-	
13	Net Profit/(Loss) for the period (11-12)	(19,698)	(5,561)	
14	Other Comprehensive Income (net of tax)			
a.	Items that will not be reclassified to profit and loss	2	(14)	
b.	Items that will be reclassified to profit and Loss			
	Total other comprehensive income, net of income tax	2	(14)	
15	Total Comprehensive Income for the period (13+14)	(19,696)	(5,575)	
16	Paid up Equity Share Capital (Face value of the share Rs. 10)	5,109	4,059	
17	Earning per Share (before and after extraordinary items)			
	Basic EPS (Rs.)	(38.55)	(13.70)	
	Diluted EPS (Rs.)	(38.55)	(13.70)	
	See accompanying note to the financial results			



Statement of Segment Revenue, Results and Capital Employed

		(All figures in Rs. Lacs, unless otherwise stated)	
Sl. No.	Particulars	Current 3 months ended 30-06-2016 Unaudited	Corresponding 3 months ended in the previous year 30-06-2015 Unaudited
1	Segment Revenue		
	(a) Construction Contracts	30,025	41,137
	(b) Trading	10,530	4,516
	Total	40,555	45,653
	Less: Inter-Segment Revenue (at cost)	-	-
	Net Sales/Income From Operations	40,555	45,653
2	Segment Results [Profit/(Loss) before tax and interest]		
	(a) Construction Contracts	(11,590)	1,542
	(b) Trading	(66)	9
	Total	(11,656)	1,551
	Less: (i) Interest and other borrowing cost	(8,117)	(7,049)
	Add: (i) Other un-allocable income (Net of expenditure)	75	(63)
	Profit/(Loss) Before Tax	(19,698)	(5,561)
3	Capital Employed		
	(Segment Assets - Segment Liabilities)		
	(a) Construction Contracts	2,01,825	1,61,215
	(b) Trading	261	208
	(c) Unallocated	21,954	21,932
	Total	2,24,040	1,83,355



Notes:-

- 1 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted Ind AS with a transition date of April 1, 2015.
- 2 The format for Un-audited Quarterly Results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- 3 The above unaudited results for the quarter ended June 30, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on September 13, 2016 and these have been subjected to a Limited Review by the Statutory Auditor of the Company.
- 4 The Statement does not include Ind AS compliant results for the preceding quarter and previous year ended March 31, 2016 as the same are not mandatory as per SEBI's circular dated July 5, 2016.
- 5 The Ind AS compliant corresponding figures in the previous year have not been subjected to review/audit. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 6 Deferred tax assets have been recognised to the extent of deferred tax liabilities.
- 7 The reconciliation of net loss reported in accordance with Indian GAAP to Total Comprehensive Income in accordance with Ind AS is given below:

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

Description	Quarter ended 30-06-2015 (Not subject to review/ audit)
Net Loss as reported under previous GAAP (Indian GAAP)	(5,955)
Add/(Less): Adjustment on account of:	
Impact of measurement of derivative financial instruments at fair value as per Ind AS 109	(198)
Reclassification of actuarial losses, arising in respect of employee benefit schemes, to Other Comprehensive Income as per Ind AS 19	14
Amortisation of transaction cost pertaining to borrowings	783
Reclassification of dividend pertaining to preference share capital	(34)
Impact of measurement of interest free rental deposits at amortised cost using effective interest method	(1)
Impact of measurement of Other Long Term Loans & Advances at amortised cost using effective interest method	81
Impact of fair valuation of Investments as per Ind AS 109	6
Impact of fair valuation of contract revenue as per Ind AS 11	(257)
Net Loss as per Ind AS	(5,561)
Other Comprehensive Income (net of tax)	(14)
Total Comprehensive Income for the period	(5,575)

- 8 Project business is subject to quarter to quarter variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
- 9 Figures for the quarter ended June 30, 2015 have been reclassified, wherever necessary to make them Ind AS compliant and comparable with the figure for the current period.

Kolkata
September 13, 2016



PRABIR GHOSH
WHOLETIME DIRECTOR