

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
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August 14, 2018

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,

Sub: Outcome of Board Meeting

We would like to inform you that the Board of Directors at their meeting held on date, i.e. August 14, 2018, has –

1. Approved and taken on record the Unaudited Financial Results of the Company for the Quarter ended June 30, 2018 along with the Auditors' Report thereon in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (copy attached).
2. Approved the appointment of Mr Manoj Kumar Digga, CFO with effect from July 14, 2018.
3. Approved the appointment of Mr Srinivash Singh, Managing Director as Member of the Audit Committee of Directors.
4. Fixed that the Annual General Meeting of the Company will be held on Wednesday, September 26, 2018, at 11.00 a.m. at Auditorium, Club Eco Vista, Ecospace Business Park, Plot No: 2-F/11, New Town, Rajarhat, 24 Parganas (North), Kolkata: 700156.
5. Fixed that the Register of Members and Share Transfer Books of the Company will remain closed from September 17, 2018 to September 26, 2018 (both days inclusive).
6. Appointed M/s V Singhi & Associates, Firm Registration Number 311017E, as the Joint Statutory Auditors of the Company in addition to the existing Statutory Auditors i.e., Deloitte Haskins & Sells LLP to hold office for a period of three consecutive years commencing from the Financial Year 2018-19, subject to the approval of the Members of the Company at their forthcoming Annual General Meeting of the Company scheduled to be held on September 26, 2018.
7. Approved the proposal for the alteration of Articles of Association of the Company in view of the calling off of the proposed Merger of the Company with EMC Limited and for altering the regulations of the Articles of Association that are not in conformity with the enforced provisions of the Companies Act, 2013 and the SEBI LODR Regulations, 2015, subject to the approval of the Members of the Company at their forthcoming Annual General Meeting of the Company scheduled to be held on September 26, 2018.

Thanking You,
Yours Faithfully,

For **McNally Bharat Engineering Company Limited**


Indranil Mitra
Company Secretary

DELOITTE HASKINS & SELLS LLP
Chartered Accountants
13th and 14th Floor,
Building – Omega
Bengal Intelligent Park
Block – EP & GP
Sector V, Salt Lake City,
Kolkata - 700091
West Bengal, India.

V. SINGHI & ASSOCIATES
Chartered Accountants
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata – 700001
West Bengal, India.

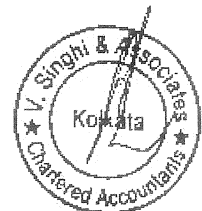
**LIMITED REVIEW REPORT ON QUARTERLY UNAUDITED INTERIM
STANDALONE FINANCIAL RESULTS OF McNALLY BHARAT ENGINEERING
COMPANY LIMITED**

**TO THE BOARD OF DIRECTORS OF
McNALLY BHARAT ENGINEERING COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Interim Standalone Unaudited Financial Results of **McNally Bharat Engineering Company Limited** ("the Company"), for the quarter ended June 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 Engagements (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. 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.
3. We draw attention to:
 - (i) Note 3 on the Statement regarding payment of excess managerial remuneration for which the Company is yet to seek approval from the Central Government to regularize the same in terms of section 197(3) read with Schedule V to the Act amounting to Rs. 40.82 lacs paid/payable to erstwhile one whole time director for the financial year ended March 31, 2018.



- (ii) Note 4 on the Statement regarding payment of excess managerial remuneration for which approval in terms of section 197(3) read with Schedule V to the Act, is pending from the Central Government amounting to Rs. 54.99 lacs (Rs. 55.06 lacs for the quarter ended March 31, 2018, Rs. 220.03 lacs for the year ended March 31, 2018) paid to the managing director for the quarter ended June 30, 2018.

These matters were also qualified in our report for the financial year ended March 31, 2018.

Pending Central Government approval, we are unable to comment on the consequential effect of the above matters on this Statement.

4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The comparative financial information of the Company for the quarter ended June 30, 2017 prepared in accordance with Ind AS included in this Statement have been reviewed by the predecessor auditor. The report dated August 11, 2017 of the predecessor auditor on these comparative financial information expressed a modified conclusion as follows:

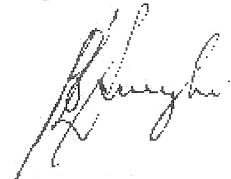
Regarding remuneration aggregating Rs. 79.34 lacs paid/ payable to a whole-time director and the managing director of the Company for the period April 1, 2017 to June 30, 2017 for which the Company has not obtained requisite approvals as mandated under section 197(3) read with Schedule V to the Act. The impact of the said non-compliance is currently unascertainable.

Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number: 117366W/W-100018

V. Singhi & Associates
Chartered Accountants
Firm Registration Number: 311017E



(A. Bhattacharya)
Partner
Membership No: 054110



(V. K. Singhi)
Partner
Membership No: 050051

Date: August 14, 2018
Place: Kolkata

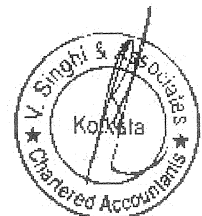


MCNALLY BHARAT ENGINEERING COMPANY LIMITED
CIN: L45202WB1961PLC025181
Regd. Office: 4 MANGO LANE, Kolkata 700 001
Web: www.mcnallybharat.com, Email id: mbecal@mbecol.co.in, Phone no: (033) 3014-1111
Statement of unaudited Standalone Financial Results for the quarter ended 30 June, 2018

(Rs. in Lakhs, unless otherwise stated)

Particulars	Three months ended			
	30 June 2018	31 March 2018	30 June 2017	Year ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Revenue from operations				
(a) Net sales/ Income from operations	45,760.18	36,774.72	37,993.69	1,43,061.72
(b) Other operating income	33.98	96.20	905.97	254.20
Total income from operations	45,794.16	36,870.92	38,899.66	1,43,315.92
2 Other income	2,887.20	4,991.83	3,011.18	15,902.71
3 Total Income (1+2)	48,681.36	41,862.85	41,910.82	1,59,218.63
4 Expenses				
(a) Cost of materials consumed	31,747.08	8,314.05	18,938.26	64,948.62
(b) Outsourcing expenses to job workers	9,963.34	16,115.73	14,749.70	45,007.10
(c) Excise duty	-	-	57.18	57.16
(d) Employee benefits expense	2,439.73	2,232.52	2,582.51	9,796.93
(e) Finance costs	11,026.40	14,070.62	12,650.14	50,235.54
(f) Depreciation and amortization expense	287.24	328.66	405.43	1,461.92
(g) Other expenses	4,405.16	6,929.36	6,932.69	23,649.57
Total expenses	59,868.93	47,990.94	56,315.89	2,15,156.84
5 Profit/(Loss) before tax (3-4)	(11,187.59)	(6,128.09)	(14,405.07)	(55,938.21)
6 Tax expenses:				
Deferred tax	-	(1,690.96)	(4,216.05)	(13,393.30)
7 Profit/(Loss) for the period/year (5-6)	(11,187.59)	(4,437.13)	(10,189.02)	(42,544.91)
8 Other comprehensive income				
(a) Items that will not be reclassified to profit or loss	(25.27)	(65.32)	(11.92)	(101.07)
Total other comprehensive income (net of income tax)	(25.27)	(65.32)	(11.92)	(101.07)
9 Total comprehensive income for the period/year (7+8)	(11,212.86)	(4,502.45)	(10,200.94)	(42,645.98)
10 Paid up equity share capital (Face value of the share Rs.10 each)	15,804.46	15,804.46	5,739.38	15,804.46
11 Reserves excluding revaluation reserve	-	-	-	(7,792.74)
12 Earnings per share (of Rs. 10/- each) (not annualised):				
Basic	(5.27)	(3.12)	(7.44)	(30.17)
Diluted	(5.27)	(3.12)	(7.44)	(30.17)

Also refer accompanying notes to the financial results.



MCNALLY BHARAT ENGINEERING COMPANY LIMITED
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Regd. Office: 4 MANGO LANE, Kolkata 700 001

Web: www.mcnallybharat.com, Email id: mbeca@mbeci.co.in, Phone no: (033) 3014-1111
Statement of unaudited Standalone Financial Results for the quarter ended 30 June, 2018


Notes

- 1 The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on August 14, 2018.
- 2 The Company is primarily engaged in the business of construction and hence no separate disclosure has been made for Segment Reporting as per Ind AS 108-Operating Segments.
- 3 In respect of remuneration paid / payable amounting to Rs. 40.82 lacs (Rs. Nil for the quarter ended March 31, 2018) for the financial year ended March 31, 2018 to erstwhile one whole time director, the Company has obtained the shareholders' approval in the Annual General Meeting held on September 29, 2016 and is in the process to obtain approval from the Central Government to regularise the same in terms of section 197(3) read with Schedule V to the Companies Act, 2013.

This matter was also qualified by the Joint Statutory Auditors of the Company in their audit report for the financial year ended March 31, 2018 and by the predecessor Statutory Auditors in their review report for the quarter ended June 30, 2017 as reported Rs. 79.34 lacs.
- 4 In respect of remuneration paid amounting to Rs. 54.99 lacs (Rs. 55.06 lacs for the quarter ended March 31, 2018 and Rs. 220.03 lacs for the financial year ended March 31, 2018) to the managing director for the quarter ended June 30, 2018. The Company has obtained the shareholders' approval in the Annual General Meeting held on September 20, 2017. The Company has also filed application to obtain approval from the Central Government to regularise the same in terms of section 197(3) read with Schedule V to the Companies Act, 2013.

This matter was also qualified by the Joint Statutory Auditors of the Company in their audit report for the financial year ended March 31, 2018.
- 5 The Ministry of Corporate Affairs (MCA), on March 28, 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standard) Amendment Rules, 2018. The new standard is effective from accounting periods beginning on or after April 1, 2018. The Company has adopted the standard using the modified retrospective approach. The adoption of the standard did not have any significant impact to the financial results of the Company.
- 6 Project business is subject to quarter to quarter variations and one quarter's performance in isolation does not necessarily indicate full year's performance.
- 7 The figures for the three months ended March 31, 2018 is the balancing figures between the audited figures in respect of the full financial year ended March 31, 2018 and the unaudited published year to date figures for the nine months ended December 31, 2017 which was subject to limited review by the sole Statutory Auditors.
- 8 The Financial results for the Quarter and year ended June 30, 2017 have been audited by Lovelock & Lewes, Chartered Accountants, the predecessor Auditors.
- 9 Figures for the previous quarters / periods have been regrouped / rearranged wherever considered necessary.

Place: Kolkata
Date : August 14, 2018


SRINIVASH SINGH
MANAGING DIRECTOR
DIN: 00769624

