

McNally Sayaji Engineering Limited

ANNUAL REPORT 2015-16

Corporate Information



MCNALLY SAYAJI ENGINEERING LIMITED

CIN: L28999WB1943PLC133247

Board of Directors

Mr. Padam Kumar Khaitan	- Non Executive Independent Director
Mrs. Tehnaz Punwani	- Non Executive Independent Director
Mr. Brij Bhushan	- Non Executive Independent Director
Mr. Heath Brian Zarin	- Non Executive Director
Mr. Subir Chaki	- Whole Time Director

Chief Financial Officer

Mr. Uttam Tekriwal

Company Secretary

Mr. Arunabha Acharya

Statutory Auditors

M/s Lovelock & Lewes, Chartered Accountants

Registered Office

4 Mangoe Lane, Kolkata - 700001
West Bengal

Corporate Office

Ecospace, Campus 2B, 11F/12 (A/II/Blk 3)
New Town, Rajarhat
Kolkata - 700156, West Bengal
T: +9133 6628 1213
E: mse.corp@mbecl.co.in
W: <http://www.mcnallysayaji.com/>

Registrar & Share Transfer Agent

M/s Maheshwari Datamatics Private Limited
6 Mangoe Lane, 2nd Floor, Kolkata - 700001
T: +9133 2243 5029/5809
F: +9133 2248 4787
E: mdpldc@yahoo.com



Notice

NOTICE is hereby given that the Seventy Second Annual General Meeting of the Members of McNally Sayaji Engineering Limited will be held on Thursday, September 29, 2016, at 03:00 p.m at Ecospace, Campus 2B, 11F/12, New Town, Rajarhat, Kolkata – 700156, to transact the following business:

Ordinary Business :

1. To receive, consider and adopt :
 - a. the audited Financial Statements of the Company for the financial year ended March 31, 2016, and the Reports of the Board of Directors and the Auditors thereon.
 - b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Heath Brian Zarin (DIN: 02670769), who retires by rotation, and being eligible, offers himself for re-appointment
3. To ratify the appointment of the Statutory Auditors and in this regard to pass, the following Resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendations of the audit committee of the Board of Directors and the resolution passed by its members at their Annual General Meeting held on July 29, 2014, the appointment of M/s Lovelock & Lewes, Chartered Accountants (FRN: 301056E) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company for the financial year ending March 31, 2017, be and is hereby ratified at such remuneration as shall be fixed by the Board of Directors of the Company, as per the recommendations of the Audit Committee of the Board.”

Special Business :

4. To ratify the remuneration payable to the Cost Auditor and in this regard, to pass with or without modification/s, the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT in terms of Section 148 of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditors namely, S K Sahu & Associates, for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2016, as approved by the Board of Directors based on the recommendations of the Audit Committee, the details of which are given in the Explanatory Statement in respect of this item of business, be and is hereby ratified.”

5. To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to section 188 and other applicable provisions of the Companies Act, 2013, (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into contract(s)/ arrangement(s)/ transaction(s) with McNally Bharat Engineering Company Limited (“MBECL”), the holding company of this company and a related party within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, upto a maximum amount of Rs. 250 crore for the financial year 2016-2017 and onward provided, however that contract(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

Notice

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

By Order of the Board of Directors
For **McNally Sayaji Engineering Limited**

Arunabha Acharya
Company Secretary

Kolkata, August 23, 2016

Notes :

- The Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to special business set out in the Notice is annexed hereto.
- Members entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy to attend and vote thereat instead of himself. Proxy need not be a Member of the Company. Proxy forms, duly completed and stamped, must be received at the Company's Registered Office situated at 4 Mangoe Lane, Kolkata – 700001 at least forty-eight hours before the Meeting to be effective.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of the Board Resolution of the Company that authorizes such representative to attend and vote on their behalf at the meeting.
- The Company is providing the facility of remote electronic voting to the Members and the details are set out in the Annexure set herewith.
- The voting rights for the shares are one vote per equity share registered in the name of the shareholders/ beneficial owners as of cut-off date of September 22, 2016.
- The facility for voting through ballot will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.
- The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2016, to September 29, 2016 (both days inclusive).
- Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of the Dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
- The Shareholders are requested to send directly all documents, transfer, demat requests and other communication in relation thereto to the Registrar at their following address:
M/s. Maheshwari Datamatics Pvt. Ltd.
Unit: **McNally Bharat Engineering Co. Ltd.**
6, Mangoe Lane, 2nd Floor
Kolkata – 700001
- Members may also note that the Annual Report of the Company for the Financial Year 2015-16 and the Notice of the AGM to be held on September 29, 2016, will be available in the “Investors” section on the Company's portal <http://www.mcnallysayaji.com/>
- The information as required to be provided in terms of the Listing Agreement with the Stock Exchanges regarding the Directors who are proposed to be appointed/re-appointed is annexed.
- Members desiring any information as regards the Accounts are requested to write to the Company at least seven days prior to the meeting so as to enable the Management to keep the information ready at the Meeting.



Notice

Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of S K Sahu & Associates, Cost Accountants, to conduct audit of the Cost Accounting records maintained by the Company for the financial year ended March 31, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Board of Directors, has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors or the Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in respect of the said resolution.

Your Directors recommend the resolution set out at Item No. 4 for appointment of S K Sahu & Associates to conduct audit of the Cost Accounting records maintained by the Company for the financial year ended March 31, 2017.

Item No. 5

Your Company in its ordinary course of business and on arm's length conducts various transactions with its holding company, McNally Bharat Engineering Company Limited ("MBECL"). These transactions include purchase and sale of goods and services. Your Company sells its products and services it has expertise in to MBECL to fulfil their specific requirements. Similarly, over the course of normal business activities, your Company purchases goods and services from MBECL. Also, to finance its working capital requirements, your Company approaches MBECL to provide Corporate Guarantees on its behalf to banks and other institutional lending organizations, within limits approved by the Members of MBECL. Your Company also has a rental income from MBECL.

Your Company has noted that MBECL and your Company fall under the category of "Related Party" in terms of the provisions of Section 2(76) of the Companies Act, 2013, and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. These provisions consider a transaction with a related party to be material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Further, these provisions require all material related party transactions to be approved by the shareholders through a special resolution and the related parties shall abstain from voting on such resolutions.

Your Company anticipates that the transaction(s) entered into with MBECL and your Company whether individually and/or in aggregate may exceed the stipulated threshold of ten percent of the annual consolidated turnover of your Company as per the last audited and financial statements of the Company during the financial year of the Company. Your Company, therefore, requires approval of the shareholders through a special resolution for entering into contract(s)/ arrangement(s)/ transaction(s) with MBECL upto a maximum amount as mentioned in the resolution from the financial year 2016-2017 and onward.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules framed thereunder for the specified transactions with these two companies, the same is being sought as an abundant precautionary measure.

All related parties shall abstain from voting on these resolutions.

Information under Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014

Name of the related party	:	1. McNally Bharat Engineering Company Limited (Holding Company)
Name of the Director or Key Managerial Personnel who is related	:	None of the Directors or the Key Managerial Personnel of either Companies are related
Nature of Relationship	:	N.A
Nature, material terms, monetary value and particulars of the contract or arrangement	:	Purchase and Sale of Goods and Services by the related parties on an Arm's Length Basis, rental income on properties leased, short term loans and interest thereon, and reimbursement of expenses for services provided. Estimated aggregate value of all the transactions is Rs. 250 Crores.

Notice

The Audit Committee of your Company have given an omnibus approval to the value of the related party transactions proposed to be entered into and have noted that this is in line with the Company's policy on Related Party Transactions at their Meeting held on May 27, 2016.

The Board of Directors recommends the passing of the Special Resolution contained in Item No. 5 of the accompanying Notice.

None of the Directors, Key Managerial Personnel or their Relatives is concerned or interested in the Resolution

Information of the Directors, offering themselves for re-appointment, mentioned in Resolution No. 2 pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Heath Brian Zarin (DIN : 02670769)

Mr. Heath Brian Zarin has vast experience in the field of Alternative Investments, especially private equity strategies in emerging markets, and corporate law. He serves as the Founder and Managing Director at EmergeVest Limited. He was also associated with HSBC Principal Investments and Credit Suisse Group. He was Founder of Emergent Investment Group and served as its Chief Executive Officer. His current and previous board service includes companies across Asia, Europe and North America, in diverse manufacturing and service industries.

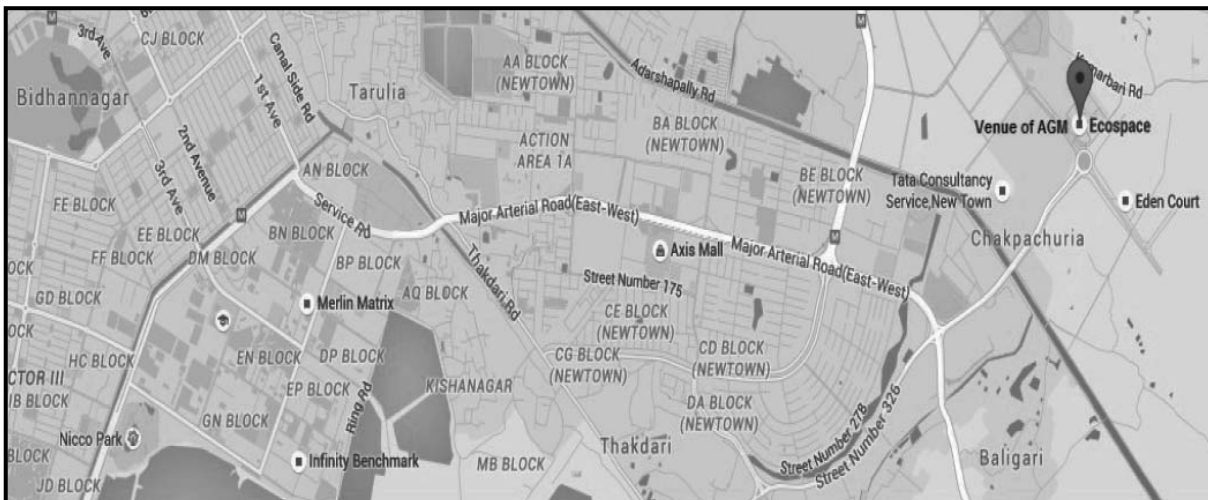
Mr. Heath Brian Zarin is not related to any other member of the Board of Directors of the Company. He currently holds no shares in the Company and is not a Director in any other listed company in India.

By Order of the Board of Directors
For **McNally Sayaji Engineering Limited**

Arunabha Acharya
Company Secretary

Kolkata, August 23, 2016

Venue of the Annual General Meeting



Ecospace, Campus 2B, 11F/12, New Town, Rajarhat, Kolkata – 700160
(Major Landmarks: Rabindra Tirtha, Tata Medical Centre, Unitech Infospace,
TCS Geetanjali Park, Eden Court, Aliah University)

Directors' Report

Dear Shareholders,

Your Directors take great pleasure in presenting the Directors' Report for the year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2016, is summarized below: (₹ in Lakhs)

	2015-16	2014-15
Revenue from Operations	21,152	20,642
Other Income	1,473	628
Total Revenue	22,625	21,270
Finance Costs	3,369	2,634
Depreciation and amortization expenses	1,579	1,670
Profit / (Loss) before Tax and Extraordinary items	(2,678)	(2,800)
Exceptional items	-	-
Profit / (Loss) before Tax	(2,678)	(2,800)
Tax Expenses	-	53
Profit/ (Loss) after Tax	(2,678)	(2,853)
Surplus in Statement of Profit and Loss		
Balance as per last account	2,732	5,585
Add: Profit/(Loss) for the year	(2,678)	(2,853)
Balance as at the end of the year	54	2,732

The financial statements of your company have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The financial statements comply in all material aspects with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

AUDITORS' REPORT

The Board has duly examined the Statutory Auditors' Report to the accounts and clarifications, wherever necessary, have been included in the Notes to the Accounts section of the Annual Report.

OPERATIONS AND BUSINESS PERFORMANCE

The Company could achieve a Sales turnover of Rs. 211.52 Crores, a marginal 2% increase over the previous year's Sales of Rs. 206.42 Crores. The business scenario in the Mineral, Mining and Power Sectors remained depressed although some positive movement could be seen in Coal sector. The Company incurred a Loss after tax of Rs. 26.78 Crores as against a loss of Rs. 28.53 Crores in the previous year.

The Company is exploring new business areas, especially those required in the Infrastructure Sector, which is expected to boom with the new Government's stated plans for building new highways, bridges and ports. The Company entered into Sand plant business during the year which possesses immense opportunity. Dry crushing plant for cement industry is another breakthrough achieved during the year which shall add good business in the coming years. The tie-up with FAMUR FAMAC of Poland for port and other heavy material handling equipment is another step in this direction. The Company has also tied up with Sizattec Inc. of USA for high speed screen which further expands the product offerings of the Company. It is under constant lookout for newer and better technologies and other tie-ups in order to offer a complete package to its customers. While the above steps will help to utilise its capacities better, the Company also intends to reduce its debt burden by restructuring its assets to make the organisation leaner and fitter.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review as required under the Listing Agreement with the Stock Exchanges is enclosed to this report. Certain statements in this section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

Directors' Report

PROMOTERS

Your Company's holding company, McNally Bharat Engineering Company Limited, had entered into an agreement with EMC Limited ("EMC") and Williamson Magor Group ("Existing Promoters") to raise additional equity investment. Under the provisions of SEBI Regulations, an open offer was made by EMC Limited and Williamson Magor & Co. Limited. The open offer was successfully completed and on acquisition of shares by them, they have been inducted as the Promoters of your Company. McNally Bharat Engineering Company Limited remains as the holding company of your company.

ACQUISITION

As part of the internal restructuring to create greater operational synergies between group companies, your Company acquired 100% stake in MBE Coal & Mineral Technologies India Private Limited from its parent company, McNally Bharat Engineering Company Limited.

MERGER

On March 31, 2016, your Board of Directors have approved a draft Scheme of Amalgamation of your Company, along with its parent company McNally Bharat Engineering Company Limited and EMC Limited, into Kilburn Engineering Limited. The core objective of the merged entity will be to emerge as a total engineering solution provider with comprehensive Construction and Resource Management capability, which will not only improve its marketability but will also lead to multiple opportunity creation.

Each constituent of the merged entity will bring in to the common pool their list of unique clientele. Thus the common pool will be able to compile a combined list of niche customers who can now be approached with huge expanse of service range.

The scheme will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows. Superior asset backing coupled with healthier liquidity will lead to improved gearing which will be encouraging for banks and institutions.

As on date, the draft scheme of amalgamation has received approval from the Competition Commission of India and is currently awaiting approvals from other regulatory bodies.

SHARE CAPITAL

During the Year ended March 31, 2016, the Equity Share Capital of the Company at 89,89,273 Equity Shares of Rs.10/- each remains unchanged.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled as "Corporate Governance" is attached to this report.

DIVIDEND

Due to inadequacy of profits, your Directors do not recommend any dividend for the financial year ended March 31, 2016.

TRANSFER TO RESERVES

No amount has been transferred to the General Reserves of your Company at the financial year ended March 31, 2016.

INTERNAL FINANCIAL CONTROLS

To fulfil the obligations put forward vide section 134(5)(e) of the Companies Act, 2013, the Board of Directors regularly reviews the internal control systems to ensure that it remains effective and fit for purpose. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals.

The systems/ frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, internal audit framework, ethics framework, risk management framework and adequate segregation of duties to ensure an acceptable level of risk.

Internal Financial Control is exercised through Internal Audit and is an important element of the overall process by which the Board obtains the assurance on the effectiveness of relevant internal controls. In addition, as part of their role, the Board and its Committees routinely monitor the material business risks.

Based on information provided, nothing has come to the attention of Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in our internal financial controls during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls.

Directors' Report

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013, and the Rules thereto, your Company has constituted a Corporate Social Responsibility Committee. Accordingly, a Corporate Social Responsibility policy has been adopted by the Committee by the Board of Directors. A report of the CSR activities undertaken by your Company is attached herewith.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors confirm as under:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS

During the financial year ended March 31, 2016, your Company has not accepted any deposits from the public

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Independent Directors have submitted their disclosures to the Board that they meet the criteria as stipulated in Section 149(6) of the Companies Act, 2013.

The Company has in place a performance evaluation mechanism for its Board of Directors. The Independent Directors, at their own separate meeting, evaluated the performance of the Board and the other Board members. Thereafter, the Board evaluated its own performance and that of its Committees.

On the financial year ended March 31, 2016, the Company had three Key Managerial Personnel being Mr. Subir Chaki, Whole Time Director, Mr. Uttam Tekriwal, CFO, and Mr. Arunabha Acharya, Company Secretary.

MEETINGS OF THE BOARD OF DIRECTORS

During the year, nine Board Meetings were held on May 29, 2015, June 15, 2015, June 30, 2015, August 12, 2015, October 23, 2015, November 13, 2015, February 12, 2016, March 22, 2016, and March 31, 2016. Please refer to the Corporate Governance Report forming part of this Report as an Annexure for further details.

AUDIT COMMITTEE

The Audit Committee of the Board, as at March 31, 2016, consisted of Mr. Padam Kumar Khaitan, Mrs. Tehnaz Punwani and Mr. B Bhushan. Mrs. Tehnaz Punwani, Non-Executive Independent Director, served as the Chairperson of the Board.

The Company has established a vigil mechanism / whistle blower policy and oversees through the Audit Committee, the genuine concerns expressed by the employees and other Directors. The Company has also made provisions for adequate safeguards against victimisation of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board is chaired by Mr. Padam Kumar Khaitan, a Non-Executive Independent Director, as at March 31, 2016.

The Committee formulated the following policy relating to the remuneration for the Directors, KMP and other Executives for recommending the same to the Board:

THE COMPENSATION POLICY FOR EXECUTIVE/ WHOLE TIME DIRECTORS & KEY MANAGERIAL PERSONNEL:

Industry Parity & Equity – compensation of the members of the senior management team to be structured as per the

Directors' Report

trends & practices in companies of similar size in the industry through a benchmarking activity of compensation structures of similar positions in similar companies.

1. Focus on Variable Compensation – the compensation design of the senior management team members should have a significant proportion of the total cost to company in the form of Performance Based Incentives where the Business Performance of the Company would be the most critical factor for such pay out.
2. The compensation structure should be simple and not have multiple components.
3. The compensation structure should be reviewed periodically through a benchmarking study and necessary changes incorporated to match industry trends & practices.
4. Individual compensation of the senior management team members can be customized within the broad framework of the structure keeping in consideration factors like “performance”; “employability of individual manager” & “need to retain (criticality of the concerned manager to the Company)”.

BOARD EVALUATION

During the year, the Board formulated and adopted a Board Evaluation Framework for evaluating the performance of the Board as a whole, Committees of the Board and the Individual Directors on the Board.

Pursuant to the said Evaluation Framework, the Board evaluated the performance of the Board, its Committees and the Individual Directors for the financial year 2015-16.

The Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro growth activity and facing challenging operational and economic adversities during the year. The Board also ensured that the Committees functioned adequately and independently in terms of the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Listing Agreement and at the same time supported as well as coordinated with the Board to help in its decision making. The individual Directors' performance was also evaluated and the Board was of the view that the Directors fulfilled their applicable responsibilities and duties as laid down by the listing agreement and the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Notes to the Financial Statements for the year ended March 31, 2016.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties pursuant to Section 188(1) of the Companies Act, 2013, furnished in Form AOC -2, is attached to this report as an Annexure.

RELATED PARTY POLICY

The particulars of Contracts or Arrangements made with related parties pursuant to subsection (1) of Section 188 of the Companies Act, 2013 furnished in Form AOC -2, is attached to this report as an Annexure. During the year under review the Company has formulated a Related Party Transaction Policy.

GOING CONCERN STATUS

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

RISK MANAGEMENT POLICY

Your Company has a robust Risk Management Policy. The Management of your Company regularly monitors the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. However, none of the identified risks, in the opinion of the Board, are threatening to the existence of the Company.

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as Annexure G.

STATUTORY AUDITORS

M/s Lovelock and Lewes, Chartered Accountants (FRN: 301056E), the Statutory Auditors of the Company hold office till the conclusion of the Annual General Meeting for the year ended March 31, 2017, under the provisions of Section 139(2)



Directors' Report

of the Companies Act, 2013, subject to the ratification of the Members of the Company. Accordingly, the ratification of their appointment as the Statutory Auditors of the Company is being placed before the Members at the Annual General Meeting.

SECRETARIAL AUDIT

In terms of the requirements of Section 204 of the Companies Act, 2013 the Secretarial Audit of the Company for the year ended March 31, 2016, was conducted by M/s J Patnaik & Associates, Company Secretaries. The Secretarial Auditors' Report is attached to this Report as an Annexure and forms part of the Directors' Report. There is no qualification or reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report.

COST AUDITOR

M/s S K Sahu & Associates has been appointed as Cost Auditors for conducting the audit of cost records of the Company for the Financial Year 2015-16.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, and Rule 8(3) of the Companies (Accounts) Rules, 2014, is given as an Annexure to this report.

INSURANCE

The assets of the Company including building, shed, plant & machinery, stock in trade, etc. are adequately insured.

PARTICULARS OF EMPLOYEES

The particulars of employees and remuneration pursuant to the provisions of Section 197(12) of the Companies Act, 2013, and Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, is given as an Annexure to this report.

CAUTIONARY STATEMENT

Certain statements in the Directors' Report describing the Company's operations, objectives, projections and expectations regarding future performance may constitute 'forward looking statements' with the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied, depending on the economic conditions, Government policies and other incidental factors and developments.

ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work, active involvement and devoted services rendered. The Directors would also like to thank all the stakeholders, investors including Bankers and other business associates, who have extended their valuable support and encouragement.

This has, understandably, been critical for the Company's success. The Directors look forward to their continued support and understanding in the years to come.

On behalf of the Board of Directors

Subir Chaki

Whole-Time Director

Kolkata, August 23, 2016

Annexure A

Information under the provisions of Companies (Accounts) Rules, 2014, forming part of the Directors' Report for the year ended March 31, 2016

A. CONSERVATION OF ENERGY :

1. Energy conservation measures taken

Energy conservation measures taken in the past years and the consumption of energy are monitored on continual basis. Routine steps like strict control and monitoring of usage, good preventive maintenance of machines and equipment like DG Sets, AC units have resulted in optimal usage of electrical parts.

In the area of utilizing alternate source of energy, company had installed a wind mill at Satapur village near Jamnagar Dist., having 800 KVA capacity. 11,17,573 Units were generated from the Wind Mill. The Company has also installed a wind mill at village Sadodar near Jamnagar Dist., having 800 KVA capacity. From this wind mill 13,05,206 Units were generated. This resulted in revenue generation to the tune of Rs.108 lacs.

2. Additional investment and proposals for reduction of consumption of energy

There is nothing substantial to report.

B. RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D is carried out by the company :

- a) Continuous improvement of existing products for enhanced durability and performance
- b) Development of Mobile and Semi Mobile Crushing and Screening Plant Equipment :
 - i. Development of 250 TPH Wheel Mounted Aggregate Crushing Plant with Jaw Crusher and Cone Crusher.
 - ii. Development of 125 TPH Skid Mounted Aggregate Crushing Plant with cone crusher.
 - iii. Development of 400TPH Skid Mounted Coal Crushing Plant with automatic oversize removal system.
 - iv. Development of 500TPH Skid Mounted Coal Crushing Plant.
 - v. Development of 800x1500 mm Vibrating Feeder with unbalanced motors.
- c) Design & development of new Single Toggle Jaw crusher.
- d) Development of new range of MSEL Slurry Pumps to achieve High Performance features is continuing and commercial production of the same has commenced.
- e) Development of Dynamic Seals for Slurry Pump.
- f) Environment compliance by products and processes
- g) Testing and validation of new products

2. Benefits derived as a result of the above R&D

Followings are the Major benefits from R&D efforts

- a) Increased sales due to product improvements and introduction of new products.
- b) Reduction in cost due to product simplification, weight reduction and process improvements.
- c) Substitution of imported equipment and components.
- d) Achieving customers' satisfaction and new business opportunities.

3. Future Plan of Action :

- a) Development to minimize overall cost of the pumps.
- b) Development of High Head Slurry Pumps.
- c) New design of two stage Skid Mounted Coal Crushing Plant for 800 TPH.
- d) Development of 2000x10000 mm Apron Feeder for Skid Mounted Coal Crushing Plant.
- e) Development of Vibrating Feeder of 1250x2000 mm.
- f) Development of Skid Mounted Coal Crushing Plant with Double Toggle Jaw Crusher.

Annexure A

4. Expenditure on R&D :

In pursuit of R&D endeavors, the company is also continually incurring expenditure both under Capital and Revenue heads which has not been separately reflected but is shown as part of regular heads of accounts in Fixed Assets and in Statement of Profit and Loss.

(₹ in Lakhs)

		For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
a)	Capital	-	-
b)	Recurring	54	86
c)	Total R & D Expenditure	54	86
d)	Total R & D Expenditure as a percentage of total turnover	0.24%	0.42%

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Process/equipment developed by our R & D are being continuously absorbed and adopted on a commercial scale.
2. As a result of above efforts the company has been able to add new equipment, widened its range of products and made its equipment more efficient, cost effective and competitive.

D. FOREIGN EXCHANGE EARNED AND USED

(₹ in Lakhs)

		For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
1)	Foreign Exchange Earned	326	388
2)	CIF Value of Import	621	250
3)	Expenditure in Foreign Currency		
	- Travelling & Royalty	1	5

On behalf of the Board of Directors

Kolkata, August 23, 2016

Subir Chaki
Whole-Time Director

Annexure B

Management Discussion & Analysis

Industry Structure and Developments

The iron ore sector continued to remain dull subdued by low prices and offtakes. This has resulted in many projects getting stalled and orders deferred. While there were several enquiries for beneficiation plants, orders for them are still awaited. Fortunately, the orders for the spares for our crushers and pumps remained robust.

The coal sector on the other hand is showing signs of reviving. With the auction of the coal blocks, there have been active enquiries from several Mine Developers & Operators (MDO) for the equipment for coal handling plants. Coal India Limited has taken ambitious plans for modernisation both by outsourcing and direct investment.

The iron ore and power sector is expected to continue bearish for at least another year. With thermal power not growing, the demand for coal will also be limited and is already surplus.

The aggregate sector is showing signs of reviving reflected in major orders received both for the stationary and the mobile / semi mobile plants. Stiff competition exists in this sector and continuous efforts are on in cost reduction through engineering improvements.

Business Scenario and Outlook

The Company has been able to bag significant orders and have a respectable Order backlog. However, these orders are taking more time to be converted to sales due to the project delays and sluggish market conditions. The joint venture operations also could not take off due to this reason. Cash-flows are constrained due to liquidity crunch in the market and is becoming a bottleneck for pushing up its operations. The Company is optimistic of the benefits with the synergies to be brought in by the proposed merger opening up greater vistas for the Company.

With the traditional sectors taking time to revive, the Company has made efforts to diversify into different new sectors like tea machinery, infrastructure, sand manufacturing and the cement. Several actions have been taken in the year 2015-16 and the efforts have started bearing fruit.

The Company has been able to execute Iron Ore beneficiation plants for medium to small players for orders worth Rs. 30 crores in the year under review. These units are being developed as model units and the Company expects that future orders will generate by showcasing the success stories of these units. The Company tied up with Choquenot of France to manufacture Filter Press for such beneficiation plants, which has strengthened the competitiveness of the Company in this field

The Company successfully entered into a strategic collaboration agreement with FamurFamac of Poland for manufacture of various material handling equipment like the wagon tippers, stacker cum reclaimers, ELL cranes and port cranes. Armed with this partnership, the Company has successfully bagged order for apron feeders and wagon tippers worth Rs 28 crores.

The Company have started bidding jointly / in collaboration with other EPC contractors where its equipment can be used, thus offering a complete package to the customer. Small conveyor packages worth Rs. 10 crores have already been received. This route is expected to generate healthy orders in the coming years.

As river sand mining is being banned, the Company eyes potential in developing equipment for the M Sand business. The Company has tied up with Sisetec Inc. of USA for special purpose screens in this regard and developed solutions for Sand manufacturing bagging three orders in 2015-16. In 2016-17, the Company wishes to grow from its success and learning and build a separate team to focus entirely on this segment. The size of this segment is now Rs 80 crores and is expected to grow.

Our tie up with Yifan of China is bearing fruit resulting in orders worth Rs. 16 crores in the aggregate sector and several enquiries both for the stationary and the mobile / semi mobile plants are in pipe line.

The skid mounted plant for coal crushing has now gained wide acceptance in CIL subsidiaries. In the last year, focus was given in improving the performance of the plant and a major R&D drive was taken.

The Company could develop a dry grinding system and the first order was also bagged for limestone grinding. This will provide an entry to the cement manufacturing industry which is witnessing a revival. This industry will be our thrust area in the coming years and the Company hopes to compensate for the shortfall in business from the iron and steel sector by this action.



Annexure B

Challenges

The biggest challenge faced by the Company continues to be large debts and extremely high cost of capital. With market opportunities being limited and stiff competition, margins comes under pressure, pushing the break even volumes high. Continuous efforts are on in reducing the debts through liquidation of unused assets.

The Company also is apprehensive of the competition from international players who are eyeing India as a growing market. Technological tie-ups and consistent R&D efforts are on in adopting modern technologies and upgrading our key equipment to keep pace with the growing competition.

Strategies

The Company has adopted the following strategies to mitigate the challenges envisaged:

1. The Company sees a good potential business in Iron Ore beneficiation plants for small and medium players and shall generate a definite edge by showcasing the success stories of the projects already executed. The Company is now capable of offering the entire range of beneficiation solution on E&P basis.
2. The Company's strategic collaboration with FamurFamac of Poland for manufacture of various material handling equipment will allow the Company for better capacity utilisation of its factories which are designed to manufacture such equipment.
3. The Company is bidding for providing complete package to its customers jointly / in collaboration with other EPC contractors. The Company shall stand in a better position this way which shall include complete range of our equipment for such projects.
4. The Company sees a major opportunity for the M Sand business as river sand mining is being banned. The Company wishes to grow from the success and learning of the orders under execution and build a separate team to focus entirely on this segment.
5. With the infrastructure sector experiencing an upturn, the Company is developing competence in offering complete solutions for crushing and screening plants by tying up with civil contractors and conveyor suppliers.
6. The skid mounted plant for coal crushing has now gained wide acceptance in CIL subsidiaries and the Company shall focus to partner with MDO for turnkey based orders. Major impetus is given in improving the performance of this plant by R&D efforts.
7. The Company developed and manufactured the Withering Conveyors for the tea industry which is being tested in a tea garden. With demand for mechanization of tea processing, this equipment holds significant potential.
8. The Company is looking forward to enter in a big way in the Cement sector with limestone and clinker crushing plants.

Discussion on Financial Performance with respect to Operational Performance.

The Company had a total Income of Rs. 211.52crores for the year 2015-16 as against Rs. 206.42 crores in the previous year, a marginal increase of 2%. The Net Loss stood at Rs. 2,678 lakhs as against Net Loss in the previous year of Rs. 2,853 lakhs. Reserves of the Company stood at Rs. 13,006 lakhs as at 31st March, 2016. The gross block of fixed assets was Rs. 29,055 lakhs and net block was Rs 18,308 lakhs

Material Development in Human Resources / Industrial Relations

The industrial atmosphere at the works continued to be congenial and harmonious during the year. The Company undertakes several welfare measures in the overall interest of its employees.

The Personnel Department of the company is suitably staffed to take care of its employees and motivate them. The management of your Company encourages its employees to attend continuing education seminars and workshops to enhance their quality and capabilities in the area they perform.

The industrial relation during the year has been cordial.

Quality

The Company is conferred ISO-9001 & 9001(2000) recognition. The Company is committed to produce quality products and services to enhance customer satisfaction through the effective application of our Quality Management System, including process for continual improvement.

Annexure B

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied due to several factors being attributed including Company's operations, international and domestic economic changes affecting demand/supply positions, finished goods prices, availability of raw material, Government policies, economic development within India and the overseas market within which the Company has business relations and various other incidental factors.

On behalf of the Board of Directors

Kolkata, August 23, 2016

Subir Chaki
Whole-time Director



Annexure C

Report on Corporate Governance

The detailed report on Corporate Governance for the financial year ended March 31, 2016, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period April 1, 2015 to November 30, 2015, and as per relevant provisions of Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") as referred to in Regulation 15(2) of Listing Regulations for the period December 1, 2015 to March 31, 2016 is set out below:

I Company's Philosophy :

The Company continues to commit itself to maintain the highest standards of integrity, transparency and accountability in all facets of its operations and to create Shareholders' value on a sustainable basis. The Company believes that good Corporate Governance, with transparency and independence as its key ingredients, provides a market oriented framework for the running of Companies. It can ensure a proper balance between management, board and shareholders, adequate levels of transparency, appropriate compensation schemes and the prevention of conflict of interests.

II Governance Structure with defined roles and responsibilities :

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge its responsibilities in an effective manner. The Company Secretary of the Company acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. The Chairman provides overall direction and guidance to the Board. In the operations and functioning of the Company, the Chairman is assisted by the Whole Time Director and a core group of senior level executives.

The Company has also instituted a legal compliance programme, supported by a strict internal reporting system that covers the Company's various project site as well as its subsidiaries. The purview of this system includes various statutes, such as industrial and labour laws, taxation laws, corporate and securities laws and health, safety and environment regulations.

III Corporate Governance practices :

The Company maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented governance norms include the following:

- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders' Relationship Committee of Directors.
- The Company has independent Board Committees for matters related to Corporate Governance and stakeholders' interface and nomination of Board members.
- The Company's internal audit is conducted by independent chartered accountants' firms.
- The Company also undergoes annual secretarial audit conducted by an independent company secretary who is in whole-time practice. The annual secretarial audit report placed before the Board and is included in the Annual Report.

IV. Board of Directors :

a. Composition of the Board :

The Board of Directors comprises five members at the end of the financial year, consisting of three independent directors, one non-executive director and one whole time director. The independent and non-executive directors are eminent professionals, drawn from amongst persons with experience in business and industry, finance and law. The composition is as under:

Annexure C

Name of Directors	Category of Directors	No. of other Directorships held #		No. of other Board Committee(s) of which he/she		No. of shares held in the Company as at March 31, 2016
		Public	Private	Is a Member	Is a Chairperson	
Mr. Subir Chaki	Professional – Executive	2	1	-	-	-
Mr. Subir Ranjan Dasgupta ¹	Independent – Non Executive	3	11	5	4	-
Mr. Prabir Kumar Ghosh ¹	Non Executive	2	-	4	-	300
Mr. Prasanta Kumar Chandra ¹	Non Executive	1	1	2	-	-
Mr. Padam Kumar Khaitan	Independent – Non Executive	8	4	-	-	-
Mr. Sanjay S Patel ²	Independent – Non Executive	-	1	-	-	-
Mr. Heath Brian Zarin	Non Executive	1	-	-	-	-
Mrs. Tehnaz Punwani ³	Independent – Non Executive	1	1	-	-	-
Mr. Brij Bhushan ⁴	Independent – Non Executive	1	6	-	-	-

¹ Resigned from their post on May 29, 2015

² Resigned from his post on August 1, 2015.

³ Appointed as Independent Director at Extraordinary General Meeting held on May 4, 2015

⁴ Appointed as Independent Director at Annual General Meeting held on September 28, 2015

Excluding Foreign Companies

- All independent directors have confirmed their independence to the Company.
- The non-executive directors have no pecuniary relationship or transactions with the Company in their personal capacity.
- None of the directors are related to each other in terms of the provision of the Companies Act, 2013.
- The information as mentioned in Annexure – X of Clause 49 of the Listing Agreement with the Stock Exchange and Part A Schedule II of the SEBI (LODR) Regulations, is made available to the Board members. The Board periodically reviews compliance reports of all laws applicable to the Company and the steps taken to rectify instances of non-compliance.
- The Company has adopted the Code of Conduct for the Whole Time Director, Senior Management Personnel and other employees of the Company. It has also adopted a separate Code of Conduct for the Non-Executive Directors and Independent Directors of the Company. Both the Codes of Conduct are posted on the website of the Company. A declaration to this effect signed by the Whole Time Directors is attached to this report.
- All the directors who are on various Committees are within the permissible limits of the listing agreement and the SEBI (LODR) Regulations. The Directors have intimated from time to time their membership in the various Committees in other Companies.
- No convertible instruments are held by non-executive directors.

b. Selection of Independent Directors:

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions



Annexure C

are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under applicable laws.

c. Familiarisation programmes for Board Members :

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

d. Details of remuneration paid/payable to Non Executive Directors :

No sitting fees were paid to any of the non-executive directors of the company during the financial year 2015-16. Additionally, the company has not made any financial transactions with any of its non-executive directors during the said financial year.

e. Details of remuneration paid/payable to the Whole Time Director: (In ₹ Lakhs)

Particulars	Mr. Subir Chaki
Salary	80.40
Performance Bonus	-
Contributions to Provident Fund and other funds	6.51
Perquisites	9.90
Total remuneration	96.81

Notes:

- Mr. SubirChaki's tenure as the Whole Time Director of the Company had come to an end as at January 8, 2016. Subsequently, the Board of Directors of the Company, at their meeting held on January 22, 2016, recommended for a further extension of tenure by two years beginning from January 9, 2016. The said proposal was placed before the Members of the Company at an Extraordinary General Meeting held on May 4, 2015. The proposal was adopted by a Special Resolution of the Members of the Company at the said meeting.
- The resolution for appointing the Whole Time Director does not provide for payment of severance fees.

f. Board Meetings and attendance of Directors :

- The members of the Board have been provided with the requisite information mentioned in the listing agreement and the SEBI (LODR) Regulations well before the Board Meetings and the same were dealt with appropriately. The Independent Directors have consented to the provision of shorter notices for Board Meetings held on March 22, 2016, and March 31, 2016.
- During the year, 9 Board Meetings were held on May 29, 2015, June 15, 2015, June 30, 2015, August 12, 2015, October 23, 2015, November 13, 2015, February 12, 2016, March 22, 2016, and March 31, 2016. The Ministry of Corporate Affairs vide General Circular No. 28/2011, dated 20.05.2011, has permitted the participation of Directors in Board Meetings through electronic mode. As permitted by the aforesaid circular, some of the Directors participated through electronic mode at the aforesaid Board Meeting.
- The attendance recorded for each of the Directors at the Board Meetings during the year ended on March 31, 2016 and of the last Annual General Meeting is as under :-

Annexure C

Directors	Number of Board Meetings attended	Attendance at the Last AGM
Mr. Subir Chaki	9	Yes
Mr. Subir Ranjan Dasgupta ¹	-	No
Mr. Prabir Kumar Ghosh ¹	1	No
Mr. Prasanta Kumar Chandra ¹	1	No
Mr. Padam Kumar Khaitan	9	Yes
Mr. Sanjay S Patel ²	3	No
Mr. Heath Brian Zarin	1	No
Mrs. Tehnaz Punwani ³	9	Yes
Mr. Brij Bhushan ⁴	1	No

1. Resigned from their post on May 29, 2015
2. Resigned from his post on August 1, 2015.
3. Appointed as Independent Director at Extraordinary General Meeting held on May 4, 2015
4. Appointed as Independent Director at Annual General Meeting held on September 28, 2015

g. Code of Conduct :

The Code of Conduct of the Company as adopted by the Board of Directors is applicable to all Directors, senior management and employees of the Company. The Code is available on the Company's corporate website.

The Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

V. Audit Committee

The role and terms of reference of the Audit Committee includes the areas laid down in Section 177 of the Act, Clause 49 III (D) of the Listing Agreement and Regulation 18 of the SEBI (LODR) Regulations. The powers of the Audit Committee are in accordance with Clause 49 III (C) of the Listing Agreement and Regulation 18 of the SEBI (LODR) Regulations. The Audit Committee also reviews the information stipulated under Clause 49 III (E) of the Listing Agreement and Regulation 18 of the SEBI (LODR) Regulations.

Brief descriptions of the terms of reference of the Audit Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;



Annexure C

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition :

The Audit Committee was constituted by the Board of Directors. Member Directors of the Audit Committee are as under:

Mrs. Tehnaz Punwani (Chairperson)

Mr. Padam Kumar Khaitan

Mr. B Bhushan

All the members of the Audit Committee are Non-executive Directors. The Committee has elected Mrs. T. Punwani as its Chairperson. All the members of Audit Committee are financially literate and have accounting expertise.

The Audit Committee Meetings were held on May 29, 2015, August 12, 2015, November 13, 2015, February 12, 2016, and March 31, 2016. The attendance of each Audit Committee member is as under:-

Name of Audit Committee Member	Number of meetings attended
Mrs. T Punwani	4
Mr. Padam Kumar Khaitan	4
Mr. B Bhushan	0

At the invitation of the Company, representatives from various divisions of the Company, internal auditors, statutory auditors, Whole Time Director, CFO and Company Secretary, who is acting as Secretary to the Audit Committee, also attend the Audit Committee Meetings to respond to queries raised at the Committee Meetings.

Annexure C

VI. Stakeholders Relationship Committee

The name of the Investors Grievance Committee was changed to Stakeholders Relationship Committee in compliance with Section 178(5) of the Companies Act, 2013 which requires the Chairperson of the Committee to be a non executive Director. The following directors are members of the as at March 31, 2016:

Mr. Padam Kumar Khaitan (Chairman, Independent Director)

Mrs. Tehnaz Punwani (Independent Director)

Mr. SubirChaki (Wholetime Director)

The **Stakeholders Relationship Committee** of the Company met four times during the year on May 29, 2015, August 12, 2015, November 13, 2015, and February 12, 2016. The attendance of the members of the Shareholders'/Investors' Grievance Committee was as follows:

Shareholders'/Investors' Grievance Committee Member	Number of meetings attended
Mr. Padam Kumar Khaitan	4
Mrs. Tehnaz Punwani	4
Mr. Subir Chaki	4

All Investors complaints, which cannot be settled at the level of the Registrars - Maheshwari Datamatics Private Limited and the Company Secretary and the Compliance Officer, will be forwarded to the Stakeholders Relationship Committee for final settlement.

Investors' Grievances

The following table shows the nature of complaints received from shareholders during 2015-16.

Nature of complaints	Pending as on April 1, 2015	Received during the year	Replied/ resolved during the year	Pending as on March 31, 2016
Non receipt of Dividend Warrants	0	0	0	0
Non receipt of Share certificates	0	0	0	0
Non receipt of Annual Reports	0	0	0	0
Total	0	0	0	0

Investors' complaints are generally redressed within fifteen days from their lodgement.

The Company confirms that there were no share transfers lying pending as on March 31, 2016, and all requests for dematerialization and re-materialization of shares as on that dates were confirmed/ rejected into the NSDL / CDSL system.

VII. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on May 29, 2014, by the Board under Section 135 of the Companies Act, 2013. The following directors are members of the as at March 31, 2016 :

Mrs. Tehnaz Punwani (Independent Director)

Mr. Subir Chaki (Wholetime Director)

The Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy regarding the activities to be undertaken by the Company as specified in Schedule VII of the Act. The Committee shall also recommend the amount of expenditure to be incurred on the activities as mentioned above and monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year a meeting of the Corporate Social Responsibility Committee was held on August 12, 2015, which was attended by Mrs. Tehnaz Punwani and Mr. Subir Chaki.



Annexure C

VIII. Meeting of Independent Directors

During the year a meeting of the Independent Directors was held on March 29, 2016, which was attended by Mr. Padam Khaitan, Mrs. Tehnaz Punwani and Mr. B Bhushan.

IX. Subsidiary Companies:

The Company does not have any subsidiary company.

X. Disclosures

- a. The Company has adopted a policy on dealing with Related Party Transactions and the same is disclosed at the website of the Company.
- b. Disclosure of Accounting Treatment: All related party transactions have been entered into in the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.
- c. The Company has adopted a Risk Management Policy and has laid down procedures for informing the Board members about the risk assessment and minimization procedures.
- d. The Company has formulated a Whistle Blower Policy and established a Vigil Mechanism for Directors and Employers and same has been disclosed in the Company's website. The Management affirms that no personnel has been denied access to the Audit Committee.
- e. The management has informed the Board that they are not having any personal interest in material, commercial and financial transactions of the Company that may have potential conflict with the interest of the Company at large.
- f. The Whole Time Director and the CFO have certified, in terms of Regulation 17(8) of the SEBI (LODR) Regulations, to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.
- g. The Company has issued formal appointment letters to all Independent Directors and the terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company.
- h. The Company has adopted a policy on remuneration for Directors, Key Managerial personnel and other employees and has laid down evaluation criteria for Independent Directors. Both the above policies are available in page no. of the Annual Report. The policy on Independent Director's familiarization and continuing education programme is available at the Company's Website.
- i. Details of non compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years – Nil.
- j. None of the non-executive director has any pecuniary relationship or transactions with the company.
- k. All the mandatory requirements have been appropriately complied with.
- l. All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- m. There were no material financial and commercial transactions by Senior Management where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

XI. Compliance Certificate

Compliance Certificate for Corporate Governance from Auditors of the Company is given as Annexure to this report.

Annexure C

XII. General Body Meetings

The details of General Meetings held in the last three years are as under:

AGM	Day	Date	Time	Venue
69th	Thursday	September 26, 2013	03.30 p.m	7th Floor, Campus 2B, Ecospace, Premises No. 11F/12 (Plot No. AAll/Blk 3), New Town, Rajarhat, Kolkata – 700160
70th	Tuesday	July 29, 2014	03.00 p.m	7th Floor, Campus 2B, Ecospace, Premises No. 11F/12 (Plot No. AAll/Blk 3), New Town, Rajarhat, Kolkata – 700160
71st	Monday	September 28, 2015	11.00 a.m	7th Floor, Campus 2B, Ecospace, Premises No. 11F/12 (Plot No. AAll/Blk 3), New Town, Rajarhat, Kolkata – 700156

Extraordinary General Meeting

Date	Time	Venue	Special Resolutions Passed
Monday, May 4, 2015	11:00 a.m	4th Floor, Campus 2B, Ecospace, Premises No. 11F/12 (Plot No. AAll/Blk 3), New Town, Rajarhat, Kolkata – 700156	<ul style="list-style-type: none"> Approval of managerial remuneration of Mr. Subir Chaki, Whole Time Director of the Company Reappointment of Mr. Subir Chaki as Whole Time Director of the Company for a further period of two years, with effect from January 9, 2015
Monday, November 23, 2015	11:00 a.m	4th Floor, Campus 2B, Ecospace, Premises No. 11F/12 (Plot No. AAll/Blk 3), New Town, Rajarhat, Kolkata – 700156	<ul style="list-style-type: none"> Entering into contract(s)/ arrangement(s)/ transaction(s) with McNally Bharat Engineering Company Limited, the holding company of the company, and a related party under the provisions of the Companies Act and SEBI (LODR) Regulations, upto a maximum amount of Rs. 250 crore for the financial year 2015-2016.

Details of Special Resolutions adopted in the previous 3 AGMs:

The following special resolutions were adopted in the Annual General Meeting of the Company during the past 3 financial years and e voting facilities were made available to the shareholders :

Particulars of Resolution	Resolution adopted on	No. of shares and % of Votes in Favour	No. of shares and % of Votes against
Increasing the borrowing limit under section 180 (1) (c)	July 29, 2014	67,29,696 100% of the valid votes casted	Nil, 0.00% of the valid votes casted
Creation of Mortgage or Charge under Section 180 (1) (a)	July 29, 2014	67,29,696 100% of the valid votes casted	NIL, 0.00% of the valid votes casted
Increasing the limits of loan & investments under section 186	July 29, 2014	67,29,696 100% of the valid votes casted	NIL, 0.00% of the valid votes casted

Mr.JitendraPatnaik, a Practicing Company Secretary, was appointed scrutinizer to scrutinize the e-voting process.



Annexure C

XIII. Means of Communication : Quarterly results:

(i)	Which newspapers normally published in	:	Financial Express (English) ArthikLipi (Bengali), Kolkata
(ii)	Any web site, where displayed	:	http://mcnallysayaji.com/
(iii)	Whether it also displays official news releases and presentations made to institutional investors/ analysts	:	General information on the Company, official news releases and presentations to analysts and institutional investors are also posted on the Company's website.

XIV. General Shareholder Information

a. 72nd Annual General meeting to be held :

Day, Date, time and venue :

Day	:	Thursday
Date	:	September 29, 2016
Time	:	03:00 p.m
Venue	:	Campus 2B, Ecospace, Premises No. 11F/12 (Plot No. AAI/Blk 3), New Town, Rajarhat, Kolkata - 700160

b. Financial Year

: **2016-2017**

First Quarterly Results	:	On or before 14th August 2016
Second Quarterly Results	:	On or before 15th November 2016
Third Quarterly Results	:	On or before 15th February 2016

Audited Yearly Results for the
Year ended March 31, 2017

: On or before 31st May, 2017

c. Period of Book Closure

: September 23, 2016, to September 29, 2016 (both days inclusive)

d. Listing on Stock Exchanges:

The Equity Shares of the Company are listed at the following Stock Exchanges:

1. The Vadodara Stock Exchange Limited
2. The Ahmedabad Stock Exchange Limited
3. The Delhi Stock Exchange Limited

The Annual listing fees have been paid to the applicable Stock Exchanges. No listing fees have been charged by The Vadodara Stock Exchange Limited and The Delhi Stock Exchange Limited as both have received their exit orders from SEBI. The International Securities Identification Number (ISIN) for the Company's shares in dematerialized form is INE105E01011

e. Market Price Data :

There was no trading in the company's shares at any of the Stock Exchanges listed in during the Financial Year 2015-16 and, hence, no share price data is provided. However the shares of the Company were issued on a preferential basis at a price of Rs. 186 per share in Financial Year 2009-10.

f. Share Transfer Agents:

The Company has engaged the services of Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata 700001, a SEBI registered Registrar, as their Share Transfer Agents for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trading in Company's shares can now be done only in the dematerialized form, request for Demat and Remat should be sent directly to Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata 700001. Shareholders have the option to open their Accounts with a Depository Participant having connectivity with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

Annexure C

g. Share Transfer System :

The Company has engaged the services of Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata 700001, a SEBI registered Registrar, as their Share Transfer Agents for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trading in Company's shares can now be done only in the dematerialized form, request for Demat and Remat should be sent directly to Maheshwari Datamatics Private Limited, 6 Mangoe Lane, Kolkata 700001. Shareholders have the option to open their Accounts with a Depository Participant having connectivity with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

h. Distribution of Shareholding as on March 31, 2016 :

No. of Shares	No. of holders	% of total holders	No. of shares	% of total shares
1 to 500	939	86.70	238624	2.65
501 to 1000	81	7.48	73100	0.81
1001 to 2000	25	2.31	38750	0.43
2001 to 3000	9	0.83	22601	0.25
3001 to 4000	7	0.65	25700	0.29
4001 to 5000	5	0.46	24300	0.27
5001 to 10000	5	0.46	33100	0.37
10001 and above	9	1.11	8533098	94.93
Total	1080	100.00	8989273	100.00

i. Pattern of Shareholding as on March 31, 2016:

	Category	No. of Holders	No. of Shares
1	Promoter & Promoter Group		
	- Individual/HUF (Indian)	-	-
	- Bodies Corporate (Indian)	1	6,729,698
	- Individual/HUF (Foreign)	-	-
	- Bodies Corporate (Foreign)	-	-
2	Mutual Funds	-	-
3	Financial Institutions/Banks	-	-
4	Insurance Companies	-	-
5	Foreign Institutional Investors	1	1,340,000
6	Domestic Companies	15	456,501
7	Foreign Companies	-	-
8	Resident Individual	1,057	412,574
9	Non Resident Individual	6	50,500
	Total	1,080	8,989,273

j. Dematerialization of Shares:

As on March 31, 2016, 8,733,673 Shares of the Company's total shares representing 97.16% shares were held in dematerialized form and the balance 2.84% representing 255,600 shares were in paper form.

k. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:

There is no outstanding GDRs/ADRs/Warrants or any Convertible Instruments at the end of the current financial year.



Annexure C

I. Company's factories are located at following places:

- i. Vadodara, in the state of Gujarat
- ii. Kumardhubi, in the state of Jharkhand
- iii. Asansol, in the state of West Bengal
- iv. Bangalore, in the state of Karnataka

m. Address of Correspondence:

The Company's Registered Office is situated at 4, Mangoe Lane, Kolkata 700001.

Shareholders' correspondence should be addressed to:

McNally Sayaji Engineering Limited

4, Mangoe Lane, Kolkata – 700 001

Contact person:

Company Secretary

Telephone Nos: 66281212

Fax No: 66282277, E-mail: mse.corp@mbecl.co.in

Maheshwari Datamatics Private Limited

6 Mangoe Lane, 2nd Floor, Kolkata - 700 001

Contact person:

Mr. S. Rajagopalan, Vice President

Telephone Nos: 2243-5029/ 5809

Fax No: 2248-4787, E-mail: mdpldc@yahoo.com

On behalf of the Board of Directors

Kolkata, August 23, 2016

Subir Chaki
Whole-time Director

Certificate of Compliance of the Code of Conduct of the Company

This is to state that all the Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for Directors and Senior Management Personnel, respectively, in respect of the financial year ended March 31, 2016.

For McNally Sayaji Engineering Limited

Subir Chaki

Whole-time Director

Uttam Tekriwal

CFO

Kolkata, April 1, 2015

Auditors' Report on Corporate Governance for the Financial Year ended March 31, 2016

To

The Members of

McNally Sayaji Engineering Limited

We have examined the compliance of conditions of Corporate Governance by McNally Sayaji Engineering Limited, for the year ended on 31st March 2016, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as referred to in Regulation 15(2) of the LODR for the period 1st December 2015 to 31st March, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/LODR, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **J. Patnaik & Associates**

Company Secretaries

J. Patnaik

Proprietor

FCS: 5045, CP: 3102

Place: Kolkata

Date : 23rd August, 2016

Annexure D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
McNally Sayaji Engineering Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **McNally Sayaji Engineering Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by McNally Sayaji Engineering Limited and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **McNally Sayaji Engineering Limited** ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (vi) Other applicable laws generally applicable to the Industry/Company:
 - a) The Payment of Wages Act, 1936;
 - b) The Payment of Gratuity Act, 1972;
 - c) The Child Labour (Prohibition & Regulations) Act, 1986;
 - d) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;
 - e) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;

Annexure D

- f) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- (vii) Other applicable laws specifically applicable to the Industry/Company:
 - a) Factories Act, 1948;
 - b) The Minimum Wages Act, 1948;

I have also examined compliance with the applicable clauses of the followings:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements/Regulations entered/adopted into by the Company with the Vadodara Stock Exchange Limited, Ahmedabad Stock Exchange Limited and the Delhi Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- i) The Company has acquired the subsidiary of McNally Bharat Engineering Company Limited (the Parent Company) on December 2015 by acquiring 100% of its shares. The name of the Company's subsidiary is MBE Coal & Mineral Technology India Private Limited.
- ii) EMC Limited attracted the Indirect Acquisition of the Company while acquiring stake in McNally Bharat Engineering Limited (the Parent Company), it had made an open offer to the members of our Company under the SEBI (SAST) Regulations, along with Williamson Magor & Co. Ltd.

The Board of Directors of the Company has consented to a Scheme of Amalgamation to merge itself, along with McNally Bharat Engineering Limited and EMC Limited, into Kilburn Engineering Limited. The Company has already received CCI's approval for the scheme and Stock Exchanges' consent are pending.

For J. Patnaik & Associates
Company Secretaries

J. Patnaik
Proprietor

Place : Kolkata
Date: 23/08/2016

FCS No.: 5045
C.P. No.: 3102

Annexure E

Particulars of Employees

Particulars of employees and remuneration pursuant to the provisions of Section 197(12) of the Companies Act, 2013, and Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- (1) (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Executive Directors

	Remuneration	Ratio to the median remuneration
Mr. Subir Chaki - Whole Time Director	Rs. 9,681,900	24.66:1

Non Executive Directors

Mr. Prabir Ghosh - Non Executive Director	-	-
Mr. Prasanta Kumar Chandra - Non Executive Director	-	-
Mr. Padam Kumar Khaitan - Independent Director	-	-
Mr. Sanjay S Patel - Independent Director	-	-
Mr. Heath Brian Zarin - Independent Director	-	-
Mrs. Tehnaz Punwani - Independent Director	-	-
Mr. B Bhushan - Independent Director	-	-
Mr. Subir Ranjan Dasgupta - Independent Director	-	-

Resigned from their post on May 29, 2015

+Resigned from his post on August 1, 2015

- (ii) (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	Designation	Percentage Change
Mr. Prabir Ghosh*	Non Executive Director	Nil
Mr. Prasanta Kumar Chandra*	Non Executive Director	Nil
Mr. Subir Ranjan Dasgupta*	Independent Director	Nil
Mr. Padam Kumar Khaitan	Independent Director	Nil
Mr. Sanjay S Patel+	Independent Director	Nil
Mr. Heath Brian Zarin	Independent Director	Nil
Mr. B Bhushan	Independent Director	Nil
Mrs. Tehnaz Punwani	Independent Director	Nil
Mr. Subir Chaki	Whole Time Director	Nil
Mr. Uttam Tekriwal	Chief Financial Officer	Nil
Mr. Arunabha Acharya	Company Secretary	Nil

*Resigned from their post on May 29, 2015

+Resigned from his post on August 1, 2015

- (iii) The percentage increase in the median remuneration of employees in the financial year: None

Annexure E

- (iv) The number of permanent employees on the rolls of company: 315
- (v) The explanation on the relationship between average increase in remuneration and company performance: Not Applicable
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;
The total compensation paid to Key Managerial Personnel (including executive director) constituted 0.62% of the net turnover of the year.

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Currently, no active trading takes place at the Stock Exchanges where the Company is listed. Hence, market prices of the Company's shares aren't available. Hence, market capitalisation and market capitalisation amount and price earnings ratio haven't been provided

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase already made in the salaries of employees in the last financial year (barring KMPs, including CFO & CS) = Nil

Percentile increase in the managerial remuneration in the last financial year (including CFO & CS) = 2.9%

- (ix) Comparison of the remuneration of each Key Managerial Personnel against the performance of the company;

	Mr. Subir Chaki	Mr. Uttam Tekriwal	Mr. Arunabha Acharya
	Whole Time Director	Chief Financial Officer	Company Secretary
Remuneration	Rs. 9,681,900	Rs. 3,942,000	Rs. 486,320
As a % of Turnover	0.43%	0.17%	0.02%
As a % of Profit/(Loss) After Tax	(3.62)%	(1.47)%	(0.18)%

- (x) The key parameters for any variable component of remuneration availed by the directors;

The Whole Time Director of the Company is entitled to performance based incentives as per terms of employment approved by the Shareholders of the Company. The incentive payout is determined based on the performance of the Whole Time Director and the financial performance of the Company. During the period 2015-16, the Company has paid no performance incentive to the Whole Time Director.

None of the Non-Executive Directors of the Company has received any variable remuneration.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

For the financial year ended March 31, 2016, no employee of the company received a remuneration that is higher than the remuneration of the highest paid director.

- (xii) Affirmation that the remuneration is as per the remuneration policy of the company.

The remuneration paid during the financial year ended March 31, 2016, is in terms of the Remuneration Policy of the Company.

On behalf of the Board of Directors

Subir Chaki

Whole-time Director

Kolkata, August 23, 2016



Annexure E

Information pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation	Permanent or Contractual	Qualifications	Total Experience	DoJ	Age	Previous Employment & Designation	CTC
Mr. Subir Chaki	Whole Time Director	Permanent	B Tech, ICWA, PGDGM	32	01-Oct-11	55	Eveready Industries India Limited (President – Manufacturing)	96.81
Mr. Koushik Biswas	Sr. General Manager.	Permanent	B.E	22	01-Jan-08	44	Vedanta Aluminium(Asst. General Manager Operations)	22.79
Dr. Asim Kumar Sen	Sr. General Manager.	Permanent	M.B.B.S	28	01-Jun-88	58	MBE(Medical Officer)	23.13
Mr. Mukul Narayan Diwedi	Asso. Vice President-Marketing & Engineering	Permanent	B.E	28	31-Mar-10	49	EMTICI Engg. Co.(General Manager)	25.67
Mr. Bharat Bhushan Jain	Sr. GM	Permanent	Chartered Accountant	35	01-Jul-08	58	P K Chopra& Co.(C.A)	28.61
Mr. Mukesh Kr. Sinha	Associate Vice President &Unit Head	Permanent	B.Sc(Engg)	26	06-Mar-06	51	MBECL (General Manager)	28.74
Mr. Amlan Bikas Das	Senior General Manager R&D and marketing support	Permanent	M.Tech	36	02-Aug-06	57	M.A.M.C Ltd.,(Asst. Support)	32.22
Mr. Kunal A Patel	Associate VP	Permanent	MBA-Marketing	9	01-Oct-08	52	Sayaji Iron & Engg Co. Ltd. (Director)	35.59
Mr. Praveen P. Deshmukh	Chief Operating Officer.	Permanent	B.E-Mechanical	33	14-Feb-12	55	TRF Ltd., (Chief {BMHS})	40.68
Mr. Uttam Tekriwal	Chief Finance Officer.	Permanent	Chartered Accountant	25	01-Sep-09	49	Duncans Tea Ltd.	39.42
Mr. Mohan Bhasker	Sr. Vice president	Permanent	B.E	29	03-May-93	51	Karthik Electricals (Business Manager)	61.22

Annexure F

Remuneration Policy

1. Preamble

Section 178 of the Companies Act, 2013 requires every Listed Company and certain other class of Companies to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee set up, pursuant to above Section is to formulate the criteria for determining qualifications and positive attributes and independence of a Director and recommend to the Board the above Policy for adoption. Clause 49 of the Listing Agreement also contains a similar provision. Additionally it requires, a Policy on Board diversity. The Company is also required to disclose the Remuneration Policy in its Annual Report.

2. Policy

In compliance of the above requirements the Board of Directors of McNally Sayaji Engineering Limited, being a Listed Company, has adopted this Remuneration Policy.

3. Policy Objectives

The aims and objectives of the Policy may be summarised as under:-

- a. The Remuneration Policy aims to enable the company to attract, retain and motivate appropriately qualified Persons/Members for the Board and Executive level.
- b. The Remuneration Policy seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account Shareholder interests, industry standards and relevant Indian corporate regulations.
- c. The Remuneration Policy seeks to ensure that the interests of the Board Members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- d. The Remuneration Policy will ensure that the remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. Principles of Remuneration

I. Transparency:

The process of remuneration management shall be transparent, unbiased and impartial and conducted in good faith and in accordance with appropriate levels of confidentiality.

II. Performance Driven Remuneration:

The Company should follow the culture of performance driven remuneration by way of implementation of performance incentive system and annual assessment.

III. Affordability and Sustainability:

The Company shall ensure that the remuneration at various levels is affordable and is capable of being sustained.

IV. Flexibility:

While the remuneration packages at various levels should be standardised, there should be enough scope to make it flexible with a view to reward candidates with exceptional qualities and competence.

V. Internal Equity:

The Company shall strive to remunerate the Board Members and other Executives in terms of their roles and responsibilities undertaken within the Organisation. Their contribution and value addition for the growth of the Company shall be counted while fixing their remuneration and subsequent promotion. The same principle shall also be observed for other Executives.



Annexure F

VI. External Equity:

With a review to retain the best talents, the Company shall on a continuous basis procure information relating to market trend of remuneration packages being offered by various Companies in the same sector and try to match the remuneration accordingly.

VII. Non-Monetary Benefits:

The Company may consider extending certain Non-monetary Benefits with a view to offer social security to the families of the present and the past employees of the Company.

5. Remuneration for Directors in Whole Time Employment

The Board of Directors subject to the approval of the Shareholders at a General Meeting approves the remuneration payable to the Whole Time Director based on the recommendation of the Nomination and Remuneration Committee. Executive Director's remuneration is reviewed annually against performance, keeping in view the size and complexity of business and challenges encountered during the period under review.

The remuneration package of the Executive Director shall comprise of the following components.

a) Basic Salary:

The basic salary shall be fixed within a salary grade.

b) Bonus:

The Executive Directors may be granted performance bonus not exceeding 6 months' salary in a year, as may be approved by the Board.

c) Reimbursement:

In addition to the salary and performance bonus payable, the Board may subject to/pursuant to the approval of the shareholders at a general meeting, grant reimbursements to the Executive Directors as the Board may deem fit within a fixed scale.

d) Variable Pay and Other Benefits:

As may be determined by the Board of Directors from time to time.

e) Sitting Fees:

The Executive Directors will not be entitled to any fee for attending the Meetings of the Board of Directors and Committees thereof.

6. Remuneration of Non- Executive Directors

I. Sitting Fees:

The Non-Executive Directors shall be paid Sitting Fees for attending the Board and Committee Meetings as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the ceiling fixed in the Companies Act, 2013. They are also entitled to be reimbursed for travelling and out of pocket expenses on actual basis for attending the meetings, as may be approved by the Board from time to time.

II. Commission:

Subject to the approval of the Members at a General Meeting, the Board may decide to pay commission on net profits to the Non- Executive Directors subject to the ceiling stipulated in the Companies Act, 2013.

7. Remuneration of Key Managerial Personnel and Other Executives

The Director, Key Managerial Personnel or other executives shall be paid monthly remuneration as per the Company's HR policies and / or as may be approved by the Committee. The break-up of the pay scale, bonus and quantum of perquisites including, housing, car, medicals, leave travel allowance, club fees, leave encashment, insurance, retiral benefits and other perquisites and allowances etc. shall be as per the Company's HR policies.

In case any of the relevant regulations require that remuneration of the Key Managerial Personnel or other executives is to be specifically approved by the Committee and / or the Board of Directors, then such approval will be accordingly procured.

Annexure F

8. Role of Nomination & Remuneration Committee

The role and responsibilities of the Nomination and Remuneration Committee shall be as prescribed in Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

9. Selection Of Board Members

- i. Nomination of a suitable person for appointment as a Director is a major responsibility of the Nomination and Remuneration Committee. The objective is to ensure that the Company's Board is competent at all points of time to be able to take decisions commensurate with the size and scale of operations and complexities of business. The Committee is to promptly identify candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board, after due consideration decides on the selection of the right candidate for appointment.
- ii. While considering nomination of candidates for appointment on the Board, the Nomination and Remuneration Committee will consider candidates not only from the field in which the Company operates but also from other professional areas like management, finance, accountancy, law, banking, merchant banking etc., with the objective of maintenance of Board diversity. The Committee shall also consider the following qualifications like possessing basic academic qualification, requisite knowledge, experience and business skills that will benefit the Company and its business operations.
- iii. At the time of considering the candidates for appointment as Director the criteria for determining positive attributes shall inter alia include the following :-Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self confident, sees the whole picture.
- iv. While considering candidates for appointment as an Independent Director, the Nomination and Remuneration Committee shall consider the criteria for determining independence of a candidate as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder as also in Clause 49 of the Listing Agreement

10. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board, removal of a Director, Key Managerial Personnel or other executives subject to the provisions and compliance of the said Act, rules and regulations.

11. Retirement

The Director, Key Managerial Personnel or other executives shall retire as per the applicable provisions of the Act and the prevailing policy of MSEL. The Board will have the discretion to retain the Director, Key Managerial Personnel or other executives in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of MSEL.

12. Approval and Disclosure

This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

This policy shall be accordingly disclosed as part of the Board's Report.

13. Amendment

The right to interpret/amend/modify this Policy vests in the Board of Directors of the Company.

On behalf of the Board of Directors

Subir Chaki

Whole-time Director

Kolkata, August 23, 2016



Annexure F

CRITERIA FOR EVALUATION OF THE INDEPENDENT DIRECTORS AND THE BOARD

The Nomination and Remuneration Committee has approved the following criteria for evaluation of Independent Directors and the Board in terms of clause 49(II)(B)(5)(a) of the Listing Agreement with the Stock Exchanges:

- I. Regular attendance in Board Meetings
- II. Participation in discussions and contributions made
- III. Expression of independent opinion on various matters taken up by the Board
- IV. Adequate knowledge about the Company's business and the Country's business and economic scenario.
- V. Innovative ideas for growth of the Company and in solving problems faced by the Company.
- VI. In case of conflict of interest, prompt in disclosing the same.
- VII. Possessing long term vision for growth of the Company

Annexure G

MGT – 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L28999WB1943PLC133247
2	Registration Date	December 6, 1943
3	Name of the Company	McNally Sayaji Engineering Limited
4	Category/Sub-category of the Company	Public Limited Company Private Sector
5	Address of the Registered office & contact details	4 Mangoe Lane, Kolkata - 700001 Ph: 033 - 22138905, W: http://mcnallysayaji.com/ , e: mse.corp@mbecl.co.in
6	Whether listed company	1. The Vadodara Stock Exchange Limited 2. The Ahmedabad Stock Exchange Limited 3. The Delhi Stock Exchange Limited
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Private Limited 6 Mangoe Lane, 2nd Floor, Kolkata - 700001 Ph: 033 - 22435029

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Metallurgical Machinery		
	a. Crushing and Screening Plant / Machinery / Spares	28230	12.20%
	b. Ball Mill-Machinery / Spares	28230	14.80%
2	Material Handling and Conveying Plant / Machinery / Spares	28162	15.17%
3	Projects/ Special Equipments	28299	23.88%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	McNally Bharat Engineering Company Limited	L45202WB1961PLC025181	Holding	74.86	2(46)
2	McNally Sayaji NFLG Construction Equipment Company Private Limited	U29253WB2014PTC204252	Associate		2(6)
3	MBE Coal & Mineral Technology India Private Limited	U27100WB2009PTC137428	Subsidiary	100	2(87)

Annexure G

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	6,729,698	-	6,729,698	74.86%	6,729,698	-	6,729,698	74.86%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	6,729,698	-	6,729,698	74.86%	6,729,698	-	6,729,698	74.86%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	6,729,698	-	6,729,698	74.86%	6,729,698	-	6,729,698	74.86%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	1,340,000	-	1,340,000	14.91%	-	-	-	0.00%	-100.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	1,340,000	-	1,340,000	14.91%	-	-	-	0.00%	-100.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	450,201	1,800	452,001	5.03%	454,701	1,800	456,501	5.08%	1.00%
ii) Overseas	-	-	-	0.00%	1,340,000	-	1,340,000	14.91%	0.00%

Annexure G

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	180,774	236,300	417,074	4.64%	184,274	228,300	412,574	4.59%	-1.08%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians	25,000	25,500	50,500	0.56%	25000	25500	50,500	0.56%	0.00%
Overseas Corporate Bodies									
Foreign Nationals	-	-	-	0.00%	0	0	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	0	0	-	0.00%	0.00%
Trusts	-	-	-	0.00%	0	0	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	0	0	-	0.00%	0.00%
Sub-total (B)(2):-	655,975	263,600	919,575	10.23%	2,003,975	255,600	2,259,575	25.14%	145.72%
Total Public (B)	1,995,975	263,600	2,259,575	25.14%	2,003,975	255,600	2,259,575	25.14%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	8,725,673	263,600	8,989,273	100.00%	8,733,673	255,600	8,989,273	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	McNally Bharat Engineering Company Limited	6,729,698	74.86%	0	6,729,698	74.86%	0	0.00%

(ii) Shareholding of Promoter

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
	McNally Bharat Engineering Company Limited						0
	At the beginning of the year	April 1, 2014		6,729,698	74.86%	6,729,698	74.86%
	Changes during the year			No Change	0.00%	No Change	0.00%
	At the end of the year			6,729,698	74.86%	6,729,698	74.86%

Annexure G

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	EIG (Mauritius) Limited						
	At the beginning of the year	April 1, 2015		1,340,000	14.91%	1,340,000	14.91%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		1,340,000	14.91%	1,340,000	14.91%
2	Anushika Investments Pvt Ltd						
	At the beginning of the year	April 1, 2015		1,60,000	1.78%	1,60,000	1.78%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		1,60,000	1.78%	1,60,000	1.78%
3	Swaran Financial Pvt Ltd						
	At the beginning of the year	April 1, 2015		1,20,000	1.33%	1,20,000	1.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		1,20,000	1.33%	1,20,000	1.33%
4	York Financial Services Pvt. Ltd.						
	At the beginning of the year	April 1, 2015		42,000	0.47%	42,000	0.47%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		42,000	0.47%	42,000	0.47%
5	Anushreya Investments Pvt. Ltd.						
	At the beginning of the year	April 1, 2015		55,000	0.61%	55,000	0.61%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		55,000	0.61%	55,000	0.61%
6	3A Financial Services Ltd.						
	At the beginning of the year	April 1, 2015		18,801	0.21%	18,801	0.21%
	Changes during the year			-	0.00%	-	0.21%
	At the end of the year	March 31, 2016		18,801	0.21%	18,801	0.21%
7	Kailash Agarwal						
	At the beginning of the year	April 1, 2015		25,000	0.28%	25,000	0.28%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		25,000	0.28%	25,000	0.28%
8	Sagun Dealer Pvt. Ltd.						
	At the beginning of the year	April 1, 2015		48,000	0.53%	48,000	0.53%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		48,000	0.53%	48,000	0.53%
9	Jayant Laljibhai Chothani						
	At the beginning of the year	April 1, 2015		9,600	0.11%	9,600	0.11%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		9,600	0.11%	9,600	0.11%
10	Bipin Gathani						
	At the beginning of the year	April 1, 2015		7,000	0.08%	7,000	0.08%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		7,000	0.08%	7,000	0.08%

Annexure G

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	Mr. Uttam Tekriwal (CFO)						
	At the beginning of the year	April 1, 2015		200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	March 31, 2016		200	0.00%	200	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,218.00	2,536.00	-	21,754.00
ii) Interest due but not paid	5.00	-	-	5.00
iii) Interest accrued but not due	103.00	-	-	103.00
Total (i+ii+iii)	19,326.00	2,536.00		21,862.00
Change in Indebtedness during the financial year				
* Addition	2,530.00	-	-	2,530.00
* Reduction		873.00	-	873.00
Net Change	2,530.00	873.00	-	3,403.00
Indebtedness at the end of the financial year				
i) Principal Amount	21,609.00	1,663.00	-	23,272.00
ii) Interest due but not paid	176.00	-	-	176.00
iii) Interest accrued but not due	71.00	-	-	71.00
Total (i+ii+iii)	21,856.00	1,663.00	-	23,519.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Name Subir Chaki	
		Designation Wholetime Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,681,900.00	9,681,900.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	9,681,900.00	9,681,900.00

Annexure G

B. Remuneration to other Directors					
SN.	Particulars of Remuneration	Name of Directors			Total Indebtedness
		Mr. Padam Kumar Khaitan	Mr. B Bhushan	Mrs. Tehnaz Punwani	
1	Independent Directors*				
	Fee for attending board / committee meetings	-	-		-
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	Mr. Heath Brian Zarin			-
	Fee for attending board committee meetings	-	-	-	-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act*				

*None of the remaining Independent Directors received any sitting fees. Sitting fees were waived off by the Directors w.e.f. November 14, 2014

*Sitting fees are outside the purview of the limits set by the Act. Mr. Subir Chaki is a professional director and he has no interest in the Capital of the Company. Additionally, his remuneration was approved by the Members of the Company through a Special Resolution at their EGM held on May 4, 2015. Hence, his remuneration is within the limits specified in Schedule V of the Act.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD					
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount	
		Name	Mr. Uttam Tekriwal	Mr. Arunabha Acharya	
		Designation	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		39,42,000.00	4,86,320.00	44,28,320.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	- others, specify		-	-	-
5	Others, please specify		-	-	-
	Total		39,42,000.00	4,86,320.00	44,28,320.00

Annexure G

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		None			
Punishment					
Compounding					
B. DIRECTORS					
Penalty		None			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty		None			
Punishment					
Compounding					

On behalf of the Board of Directors

Subir Chaki

Whole-time Director

Kolkata, August 23, 2016



Annexure H

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

During the Financial year 2015-16, the Company has not entered into any transactions that aren't on an arm's length basis within the purview of the provisions of Section 188 of the Companies Act, 2013.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

McNally Bharat Engineering Company Limited (Holding Company)

(b) Nature of contracts/arrangements/transactions

Purchases of services: Nil

Sale of products and services: Rs. 3,050 Lakhs

(c) Duration of the contracts / arrangements/transactions

Ongoing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

None. The transactions are in the ordinary course of business in the same terms & conditions offered to independent third parties

(e) Date(s) of approval by the Board, if any:

Not applicable under the provisions of Section 188

(f) Amount paid as advances, if any:

Nil

On behalf of the Board of Directors

Subir Chaki

Whole-time Director

Kolkata, August 23, 2016

Annexure I

Report on Corporate Social Responsibility activities

1. The Company views to make things better for the communities it operates in by enabling people to develop and improve their capabilities, taking measures to improve efficient use of available resources and taking initiatives for a greener environment. With this view, your Company has developed a policy for developing, implementing and monitoring its Corporate Social Responsibility ("CSR") initiatives.

Your Company has also adopted the measures specified in the provisions of Section 135 of the Companies Act, 2015, and therefore, has developed its CSR policy in line with its provisions. Accordingly, your Company also supports the activities specified in Schedule VII of the Companies Act, 2013. A separate CSR Committee has been formed, consisting of the Directors of your Company, under the said provisions.

Your Company actively undertakes activities wherein it utilizes its expertise and the involvement of its employees to take various initiatives to make contributions to the society. However, your Company has not incurred any expenditure for CSR activities during the financial year 2015-16 due to lack of profits and the financial stress suffered by your Company.

2. **The Composition of the CSR Committee.**

As on March 31, 2016, the Corporate Social Responsibility Committee of the Board consisted of Mr. Padam Kumar Khaitan, Mrs. Tehnaz Punwani and Mr. Subir Chaki.

3. **Average net profit of the company for last three financial years:** Rs. (739.67) Lakhs (Net Loss).

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

None, due to average net loss incurred

5. **Details of CSR spent during the financial year.**

- a. Total amount to be spent for the financial year;
None, due to average net loss incurred

- b. Amount unspent and reasons for the same, if any;
None, due to average net loss incurred

- c. Manner in which the amount spent during the financial year is detailed below.

Your Company had not undertaken any expenditure for CSR activities due to lack of profits and the financial stress suffered by your Company.

On behalf of the Board of Directors

Subir Chaki

Whole-time Director

Kolkata, August 12, 2015

Independent Auditors' Report

TO THE MEMBERS OF
McNALLY SAYAJI ENGINEERING LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of McNally Sayaji Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditors' Report

10. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements - Refer Note 37;
 - ii. The Company has made provision as at March 31, 2016 as required under applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts -Refer Note 38;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **LOVELOCK & LEWES**

Firm Registration Number: 3010156E

Chartered Accountants

Prabal Kumar Sarkar

Partner

Membership Number : 52340

Place: Kolkata

Date: May 27, 2016

Annexure 'A' to the Independent Auditors' Report

Referred to in paragraph 10 (0) of the Independent Auditors' Report of even date to the members of McNally Sayaji Engineering Limited on the financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of McNally Sayaji Engineering Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure 'A' to the Independent Auditors' Report

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LOVELOCK & LEWES**

Firm Registration Number: 3010156E

Chartered Accountants

Prabal Kumar Sarkar

Partner

Place: Kolkata

Date: May 27, 2016

Membership Number : 52340

Annexure 'B' to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of McNally Sayaji Engineering Limited on the financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has granted unsecured loans, to one company covered in the register maintained under Section 189 of the Act. There are no other companies / firm's / LLPs / other parties covered in the register maintained under Section 189 of the Act.
- (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
- We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

Annexure 'B' to the Independent Auditors' Report

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases and is regular in depositing undisputed statutory dues, including wealth tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2016, for a period of more than six months from the date they become payable are as follows:

Name of the statute	Nature of dues	Amount (₹ In lakhs)	Period to which the amount relates	Due date	Date of Payment
Employees' Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	16.42	Aug, 15	15-Sep-15	Subsequently paid on 28-Apr-16, 18-May-16 and 26-May-16
		1.78	July, 15	14-Aug-15	

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, value added tax as at March 31, 2016 which have not been deposited on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act 1944	Excise Duty	6.70	1990-91	CESTAT, Kolkata
Central Excise Act 1944	Excise Duty	21.19	1994-95 & 95-96	Deputy Commissioner, Dhanbad
Central Excise Act 1944	Excise Duty	28.32	1996-97	Assistant Commissioner, Dhanbad
Central Excise Act 1944	Excise Duty	6.74	1993-94	Deputy Commissioner, Dhanbad
Central Excise Act 1944	Excise Duty	18.80	1994-95	Deputy Commissioner, Dhanbad
Central Excise Act 1944	Excise Duty	3.56	1992-93	Deputy Commissioner, Dhanbad
Central Excise Act 1944	Excise Duty	55.40	2011-12, 2012-13, 2013-14, 2014-15	Commissioner of Central Excise, Bolpur, West-Bengal
Bihar Finance Act 1981	Sales Tax	6.44	1991-92	Deputy Commissioner of Commercial Taxes, Chirkunda
Bihar Finance Act 1981	Sales Tax	5.47	1992-93	Deputy Commissioner of Commercial Taxes, Chirkunda
Bihar Finance Act 1981	Sales Tax	8.34	2004-05	Deputy Commissioner of Commercial Taxes, Chirkunda
Central Sales Tax 1956	Sales Tax	256.03	2006-07	Commissioner of Commercial Taxes Ranchi
Central Sales Tax 1956	Sales Tax	64.84	2007-08	Commissioner of Commercial Taxes Ranchi
Central Sales Tax 1956	Sales Tax	1,538.40	2008-09	Commissioner of Commercial Taxes Ranchi
Central Sales Tax 1956	Sales Tax	163.68	2009-10	Commissioner of Commercial Taxes Ranchi
Central Sales Tax 1956	Sales Tax	81.05	2010-11	Commissioner of Commercial Taxes Ranchi
Central Sales Tax 1956	Sales Tax	140.88	2011- 12	Joint Commissioner of Commercial taxes, Dhanbad
Central Sales Tax 1956	Sales Tax	4.58	2009-10	Sales Tax Tribunal, Kolkata

Annexure 'B' to the Independent Auditors' Report

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax 1956	Sales Tax	258.06	2010-11	Sr. Joint Commissioner, (Appeal) Commercial Taxes, Kolkata
Central Sales Tax 1956	Sales Tax	490.27	2011-12	Sr. Joint Commissioner, (Appeal) Commercial Taxes, Kolkata
Central Sales Tax 1956	Sales Tax	62.38	2011-12	Sr. Joint Commissioner, (Appeal) Commercial Taxes, Kolkata

viii. According to the records of the Company examined by us and the information and explanations given to us, except for loans or borrowings from ICICI Bank and DBS Bank for the period from February 16, 2016 to March 31, 2016 aggregating Rs. 919.07 lakhs, as described below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

Name of the Lender	Nature of dues	Period of default	Amount of default (₹ In Lakhs)
ICICI Bank	Term Loan	February 29, 2016 to March 31, 2016	82.86
ICICI Bank	Term Loan	March 15, 2016 to March 31, 2016	530.28
DBS Bank	Term Loan	February 16, 2016 to March 31, 2106	305.93

- ix. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained, except Rs 4,100 lakhs given as loan to the Holding Company (year end balance Rs. 2,125 lakhs). The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. In our opinion, and according to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number 012754N/N500016

Chartered Accountants

Prabal Kumar Sarkar

Partner

Membership Number 52340

Kolkata
May 27, 2016

Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	899	899
Reserves and Surplus	3	13,006	15,684
		13,905	16,583
Non-current liabilities			
Long term borrowings	4	6,133	3,793
Deferred Tax Liabilities (net)	5	-	-
Other Long term liabilities	6	10	9
Long term Provisions	7	181	202
		6,324	4,004
Current liabilities			
Short term borrowings	8	12,588	13,737
Trade Payables	9		
Total outstanding dues of micro enterprises and small enterprises		204	60
Total outstanding dues of creditors other than micro enterprises and small enterprises		7,023	7,475
Other Current liabilities	10	13,176	8,243
Short term Provisions	11	341	295
		33,332	29,810
Total		53,561	50,397
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	12	18,134	19,116
- Intangible assets	12	174	258
- Capital work-in-progress	13	15	35
Non-current investments	14	2,700	*
(*Amount is below the rounding off norms adopted by the Company)			
Long-term loans and advances	15	130	138
Other non-current assets	16	577	622
		21,730	20,169
Current Assets			
Inventories	17	13,769	12,688
Trade receivables	18	14,638	15,229
Cash and Bank Balances	19	310	522
Short-term loans and advances	20	3,110	1,786
Other current assets	21	4	3
		31,831	30,228
Total		53,561	50,397
The Notes are an integral part of these Financial Statements			

This is the Balance Sheet referred to in our Report of even date.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

For and on behalf of Board of Directors

Subir Chaki

Whole-time Director

Tehnaz Punwani

Director

Uttam Tekriwal
Chief Financial Officer

Arunabha Acharya
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Note	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from operations (Gross)	22	23,574	22,545
Less : Excise Duty		2,422	1,903
Revenue from operations (Net)		21,152	20,642
Other income		1,473	628
Total Revenue		22,625	21,270
EXPENSES	24		
Cost of materials consumed		10,076	9,529
Purchases of Stock-in-Trade	25	1,687	786
Changes in inventories of finished goods and work-in-progress	26	(1,016)	(427)
Employee benefits expense	28	2,949	3,132
Finance costs	29	3,369	2,634
Depreciation and amortization expense	30	1,579	1,670
Other expenses		6,659	6,746
Total expenses		25,303	24,070
Profit / (Loss) before tax		(2,678)	(2,800)
Tax expense:			
- Current tax		-	53
- Deferred tax (credit)		-	-
- Total tax		-	53
Profit / (Loss) for the year		(2,678)	(2,853)
Earnings per equity share (Face Value of ₹ 10/- each) :			
Basic and Diluted	39	(29.79)	(31.74)
The Notes are an integral part of these Financial Statements			

This is the Statement of Profit and Loss referred to in our Report of even date.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

For and on behalf of Board of Directors

Subir Chaki

Whole-time Director

Tehnaz Punwani

Director

Uttam Tekriwal

Chief Financial Officer

Arunabha Acharya

Company Secretary

Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lakhs)

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
A Cash Flow from Operating Activities				
Profit/(Loss) before taxation and exceptional items		(2,678)		(2,800)
Adjustments for:				
Depreciation/Amortisation on tangible assets	1,492		1,568	
Amortisation on intangible assets	87		102	
Finance Cost	3,041		2,295	
Other Borrowing Costs	328		339	
Interest Income	(1,127)		(10)	
Profit on Sale of Fixed Assets (Net)	(63)		(291)	
Bad Debts written off	11		-	
Provision for bad and doubtful trade receivables	258		315	
Provision for Warranty	30		16	
Liabilities no longer required written back	(65)		(205)	
Provision no longer required written back	-		(1)	
Provision for Mark to Market Loss no longer required written back	(23)		(29)	
Unrealised Loss on foreign currency transactions/ translation (net)	1	3,970	1	4,100
Operating Profit Before Working Capital Changes		1,292		1,300
Adjustments for:				
Increase in Trade and Other Receivables	(987)		(588)	
(Increase) / Decrease in Inventories	(1,081)		353	
Increase in Trade & Other Payables	4,272	2,204	2,515	2,280
Cash Generated from Operations		3,496		3,580
Direct Taxes paid (Net)		36		(68)
Net Cash from Operating Activities		3,532		3,512
B Cash Flow from Investing Activities				
Purchase of Investment	(2,700)		-	
Purchase of Fixed Assets	(75)		(95)	
Sale of Tangible Assets	71		343	
Interest Received	1,127	(1,577)	10	258
Net Cash (Used in) / from Investing Activities		(1,577)		258
C Cash Flow from Financing Activities				
Interest Paid	(2,902)		(2,308)	
Other Borrowing Costs Paid	(328)		(339)	
Proceeds from / (Repayment of) Long Term Borrowings	2,212		(1,923)	
Proceeds from Short Term Borrowings	413		738	
Repayment of Short Term Borrowings	(738)		(875)	
Net (decrease) / increase in Cash Credit Facilities including WCDL	(824)		1,243	
Dividend paid [including tax Rs. Nil (2014-15 Rs. Nil)]	(1)	(2,168)	(3)	(3,467)
Net Cash Used in Financing Activities		(2,168)		(3,467)
Net Increase / (Decrease) in Cash and Cash Equivalents		(213)		303
Cash and Cash Equivalents (Opening Balance)		441		138
Cash and Cash Equivalents (Closing Balance)		228		441

Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lakhs)

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
1 Cash and Cash Equivalents comprise of :				
Cash on hand		6		19
Bank Deposit ^		139		-
Balances with Banks #		83		422
		228		441
^ Bank Deposit under lien				
# Includes the following balances which are not available for use by the Company				
Unpaid Dividend Account		4		5

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.

The notes are an integral part of these Financial Statements

This is the Cash Flow Statement referred to in our Report of even date.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

For and on behalf of Board of Directors

Subir Chaki

Whole-time Director

Tehnaz Punwani

Director

Uttam Tekriwal

Chief Financial Officer

Arunabha Acharya

Company Secretary



Notes to Financial Statements

Note 1 SIGNIFICANT ACCOUNTING POLICIES

i. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 (The Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013.

ii. USE OF ESTIMATES

The preparation of the Financial Statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumption used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.

iii. FIXED ASSETS

Fixed assets are stated at cost of acquisition/construction less accumulated depreciation/ amortization, impairment loss, if any, and inclusive of borrowing cost, where applicable, and adjustments for exchange difference referred to in Note 1(ix) below. Cost includes inward freight, non refundable duties/ taxes and incidental expenses directly related to acquisition/ installation. Technical know-how, designs and drawing and computer software are capitalized where it is expected to provide future enduring economic benefits. Such capitalization costs include license fees/cost of implementation/system integration services, as applicable.

iv. IMPAIRMENT

The carrying amount of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount (i.e., higher of net selling price and value in use).

v. BORROWING COST

Borrowing costs attributable to acquisition/construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

vi. DEPRECIATION AND AMORTIZATION

- Depreciation is provided on pro-rata basis using straight line method over the estimated useful lives of assets. The estimates of useful lives are based on technical evaluation and are same as the lives prescribed under Schedule II to the Companies Act, 2013.

Freehold Land and Leasehold Land (perpetual lease) are not depreciated. Other leasehold land are amortized over the period of lease.

- Intangible Assets include technical know-how which are amortized over a period of five years and designs and drawing are amortized over a period of seven years under straight line method. Computer software are amortized on a straight line basis over a period of two to five years depending upon its useful life.

vii. INVESTMENTS

Long Term Investments are valued at cost less provision for diminution (other than temporary) in the carrying amount thereof as determined by the Board of Directors based on periodical review.

viii. INVENTORIES

Inventories are valued at cost and net realizable value whichever is lower.

Notes to Financial Statements

Cost is determined on weighted average basis. Cost includes expenditure incurred in the normal course of business in bringing inventories to their location and condition, labour and overhead, where applicable.

Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

ix. FOREIGN CURRENCY TRANSACTIONS AS APPLICABLE UNDER ACCOUNTING STANDARD 11 "THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES"

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/ losses (other than relating to reporting of long-term foreign currency monetary items) arising out of settlement of foreign currency transaction or from year end restatement are recognized in the Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets are adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability).

x. DERIVATIVE INSTRUMENTS

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard -11 on "The Effects of Changes in Foreign Exchange Rates"), gains/losses on settlement and mark to market loss relating to outstanding contracts as at the Balance Sheet date is recognized in the Statement of Profit and Loss. Refer Note 1(ix) above for forward exchange contracts covered under Accounting Standard -11 on "The Effects of Changes in Foreign Exchange Rates".

xi. REVENUE FROM OPERATIONS

- (a) Revenue from sale of products is recognized on transfer of risks and rewards of ownership to customers based on the contract with customers for delivery. Sales include excise duty and are net of sales returns, discounts and exclude sales tax/ value added tax where applicable.
- (b) Sale of service is recognized as revenue as and when it becomes due as per terms of contracts.

xii. LEASES

Lease rentals in respect of assets taken on operating lease are charged to revenue.

xiii. EMPLOYEE BENEFITS

(a) Short Term

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis.

(b) Post Employment

(i) Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Company receive provident fund benefits, which are administered by the independent Provident Fund Trust. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall, there is a defined benefit plan. Actuarial valuation of the Company's liability under such scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the Statement of Profit and Loss. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.



Notes to Financial Statements

(ii) Superannuation Fund

This is the defined contribution plan. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

(iii) Gratuity

This is a defined benefit plan. The schemes, which are funded with SBI Life Insurance Co. Ltd. and Life Insurance Corporation of India (LIC), are administered by independent trusts. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.

(c) Other Long Term

Other long term represent Leave Encashment, Sick Leave and Long Service Award (defined benefit plans) which is provided for based on year end actuarial valuation using Projected Unit Credit Method. Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss as income/expense.

xiv. TAXES ON INCOME

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only if there is a virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

xv. PROVISIONS AND CONTINGENT LIABILITIES

Provisions : Provisions are recognized when the company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent Liabilities : Contingent Liabilities are disclosed when the company has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made.

xvi. CASH AND CASH EQUIVALENTS.

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xvii. EARNING PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to Financial Statements

(₹ in Lakhs)

		As at 31st March, 2016	As at 31st March, 2015
Note 2	SHARE CAPITAL		
	(i) Authorised		
	5,00,00,000 (31.03.2015 : 5,00,00,000) Equity Shares of ₹ 10/- each	5,000	5,000
	(ii) Issued, Subscribed and Paid up		
	89,89,273 (31.03.2015 : 89,89,273) Equity Shares of ₹ 10/- each, fully paid up	899	899
	(iii) 67,29,698 (31.03.2015 : 67,29,698) Equity Shares are held by the holding company		
	(iv) Shares issued for consideration other than cash		
	- 34,55,529 Equity Shares of Rs.10 each were issued as fully paid up pursuant to a Scheme of Arrangement		

(v) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	As at 31st March, 2016		As at 31st March, 2015	
	₹ in Lakhs	In No's	₹ in Lakhs	In No's
Shares outstanding at the beginning of the year	899	89,89,273	899	89,89,273
Shares outstanding at the end of the year	899	89,89,273	899	89,89,273

(vi) **Terms/rights attached to equity shares**

The Company has only one class of equity share having a par value of ₹ 10/- per share. Each holder of equity is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

(vii) **Details of shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
McNally Bharat Engineering Company Limited	67,29,698	74.86	67,29,698	74.86
EIG (Mauritius) Limited	13,40,000	14.91	13,40,000	14.91

		As at 31st March, 2016	As at 31st March, 2015
Note 3	RESERVES AND SURPLUS		
	Capital Reserve	8,115	8,115
	Securities Premium Account	3,372	3,372
	General Reserve	1,465	1,465
	Surplus in Statement of Profit and Loss		
	Balance as per last account	2,732	5,585
	Add : Profit / (Loss) for the year	(2,678)	(2,853)
	Balance as at the end of the year	54	2,732
	Total	13,006	15,684

Notes to Financial Statements

Note 4	LONG TERM BORROWINGS		
	Secured Loans		
	Term Loans		
	From Banks	10,682	8,014
	From Others	1	3
		10,683	8,017
	Less : Current maturities of Long Term Debt (refer Note 10)	4,550	4,224
	Total	6,133	3,793

Nature of Security and terms of repayment for Secured Borrowings

Nature of Security	Terms of Repayment
i. Year end term loan balance from ICICI Bank Ltd. of Rs 530 Lakhs (31.03.2015 Rs. 1,502 Lakhs) is secured by first pari passu charge over the immoveable and moveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future. This facility is also guaranteed by Holding Company.	Loan is repayable in 10 equal half yearly installments, the first such installment being due on September 15, 2011 and at the end of every six months there after. Interest is payable at the rate of LIBOR + 2.50% p.a. on amount beginning April 6, 2009 and every half year thereafter. Interest rate is to be reset two business days before the start of each interest period.
ii. Year end term loan balance from ICICI Bank Ltd. of Rs 3,316 Lakhs (31.03.2015 Rs. 3,912 Lakhs) is secured by first pari passu charge on all moveable and immoveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future.	Loan is repayable in 8 equal half yearly installments, the first such installment being due on February 27, 2014 and at the end of every six months thereafter. Interest is payable at the rate of LIBOR + 4.40% p.a. on amount beginning February 28, 2011 and every half year thereafter. Interest rate is to be reset two business days before the start of each interest period.
iii. Year end term loan balance from DBS Bank Ltd. of Rs 1,836 Lakhs (31.03.2015 Rs. 2,600) is secured by first pari passu charge on all moveable and immoveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future. This facility is also guaranteed by Holding Company.	Loan is repayable in 13 equal quarterly installments, the first such installment being due on May 14, 2014 and at the end of every quarter thereafter. Interest is payable at the rate of LIBOR+ 2.95% p.a. on amount beginning August 14, 2012 and quarterly thereafter.
iv. Year end term loan balance from ICICI Bank Ltd. of Rs 5,000 Lakhs (31.03.2015 Rs. Nil) is secured by first pari passu charge on all moveable and immoveable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future. This facility is also guaranteed by Holding Company.	Loan is repayable in 8 equal half yearly installments, the first such installment being due on June 17, 2017 and at the end of every six months thereafter. Interest is payable at the rate of 12.75% p.a. on amount beginning June 18, 2015 and every half year thereafter.
v. Year end balance of Car Loan (term) from Kotak Mahindra Prime Limited Rs. 1 Lakhs (31.03.2015 Rs. 3 Lakhs) to be secured by hypothecation of motor vehicles acquired out of the loan.	Car Loans are repayable in 60 equal monthly installments. Interest is payable at the rate of 11.35% p.a.

Details of defaults of principal and interest:

Period and amount of continuing defaults as on 31st March, 2016:

	Interest	Principal
Term Loan	130	919

Notes to Financial Statements

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Note 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of :		
Depreciation	1,543	1,487
Deferred Tax Asset on account of :		
Unabsorbed Tax Depreciation/Loss	(1,170)	(1,243)
Items allowable for tax purpose on payment basis	(95)	(73)
Other Items	(278)	(171)
Total	-	-

The Company has substantial unabsorbed depreciation and carry forward loss under the Income-tax Act, 1961. The Deferred Tax Asset relating to such unabsorbed depreciation and other items are significantly higher than the Deferred Tax Liability arising on account of timing difference. Accordingly, the Company have recognised Deferred Tax Asset to the extent of available Deferred Tax Liability.

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Note 6		
OTHER LONG TERM LIABILITIES		
Trade Payables	10	9
Total	10	9

Note 7		
LONG TERM PROVISION		
Provision for employee benefits	170	168
Provision for mark to market losses on derivatives	11	34
Total	181	202

Note 8		
SHORT TERM BORROWINGS		
Secured Loans from Banks		
Loans Repayable on demand #	10,925	11,201
	10,925	11,201
Unsecured Loans		
From Banks	1,250	1,798
Inter - corporate deposit	413	738
	1,663	2,536
Total	12,588	13,737

Nature of Security on Secured Loans availed from Banks

Cash Credit facilities and Working Capital Demand Loans are secured by first pari passu charge on entire current assets of the Company. This facility is also secured by second pari passu charge over the immoveable and moveable fixed assets of the Kumardhubi plant - Unit II, Asansol unit, Baroda unit and Bangalore unit both present and future.

Note 9		
TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	204	60
Total outstanding dues of creditors other than micro enterprises and small enterprise	7,023	7,475
Total	7,535	6,767

Notes to Financial Statements

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Note 10 OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Refer Note 4)	4,550	4,224
Interest accrued but not due on Borrowings	71	103
Interest accrued and due on Borrowings	176	5
Temporary Overdraft	1,084	-
Unpaid Dividends @	4	5
Unpaid matured deposits and interest accrued thereon @	-	*
Payable against purchase of shares (Refer Note 36) #	2,700	-
Other Payables		
Advance received from customers	1,773	1,962
Liability for Capital Asset	46	75
Dues payable to government authorities	527	520
Employee benefits payable	375	323
Liability for Other Expenses \$	1,870	1,026
Total	13,176	8,243

\$ includes primarily Creditors for other expenses and deposit received from suppliers.

Payable against purchase of shares of MBE Coal & Mineral Technologies India Private Limited

* Amount is below the rounding off norms adopted by the company.

Note 11 SHORT TERM PROVISIONS		
Provision for employee benefits	248	232
Provision for Warranty [Refer (a) below]	93	63
Total	341	295
a) Movement of Provision for Warranty :		
Balance as at the beginning of the year	63	47
Additions	30	16
Amount used	-	-
Balance as at the end of the year	93	63

Notes to Financial Statements

(₹ in Lakhs)

Particulars	GROSS BLOCK AT COST / VALUATION					DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 1st April, 2015	Additions	Other Adjustments	Sale/ Adjustment	As at 31st March, 2016	As at 1st April, 2015	For the year	Sale/ Adjustment	As at 31st March, 2016	As at 31st March, 2015	
	Lease hold Land	2,825	-	102	-	2,927	104	30	-	134	2,793
Free hold Land	251	38	-	-	289	-	-	-	-	289	251
Building	13,065	-	309	12	13,362	1,639	525	4	2,160	11,202	11,426
Plant and Machinery	8,476	24	37	-	8,537	4,280	826	-	5,106	3,431	4,196
Plant and Machinery - Windmill	764	-	-	-	764	500	51	-	551	213	264
Furniture and Fixture	339	*	3	-	342	154	38	-	192	150	185
Refrigerators and Air Conditioners	87	-	1	1	87	43	9	1	51	36	44
Office Equipments	219	3	1	-	223	219	4	-	223	-	-
Motor Vehicles	63	-	*	1	62	34	9	1	42	20	29
Total	26,089	65	453	14	26,593	6,973	1,492	6	8,459	18,134	19,116
Previous Year	25,834	27	318	90	26,089	5,443	1,568	38	6,973	19,116	

INTANGIBLE ASSETS

Particulars	GROSS BLOCK AT COST / VALUATION					AMORTISATION			NET BLOCK		
	As at 1st April, 2015	Additions	Other Adjustments	Sale/ Adjustment	As at 31st March, 2016	As at 1st April, 2015	For the year	Sale/ Adjustment	As at 31st March, 2016	As at 31st March, 2015	
	Design and Drawings	2,250	-	-	-	2,250	2,001	75	-	2,076	174
Computer Software	189	1	2	-	192	180	12	-	192	-	9
Technical Knowhow	20	-	-	-	20	20	-	-	20	-	-
Total	2,459	1	2	-	2,462	2,201	87	-	2,288	174	258
Previous Year	2,458	-	1	-	2,459	2,099	102	-	2,201	258	

* Amount is below the rounding off norms adopted by the Company.

- Other Adjustments for Tangible assets include :
Rs. 452 Lakhs (31.03.2015 Rs 317 Lakhs) being adjustment relating to exchange difference.
- Other Adjustments for Intangible assets include Rs.2 Lakhs (31.03.2015 Rs 1 Lakhs) being adjustment relating to exchange difference.
- Pursuant to the Scheme of Arrangement between the Company and McNally Bharat Engineering Company Limited (MBECL), the holding company, the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain assets of the Company comprised in erstwhile Product Division of MBECL.
- Title deeds of all immovable properties are in the name of the company and have been hypothecated/mortgaged against long term borrowings and short term borrowings

Notes to Financial Statements

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Note 13 CAPITAL WORK IN PROGRESS		
Capital Work in Progress	15	35
Total	15	35
Note 14 NON CURRENT INVESTMENT		
Trade Investments (Valued at cost)		
Unquoted Equity Instruments		
Investment in subsidiaries:		
349,323 (31.03.2015 : Nil) fully paid equity shares of Rs. 10/- each of MBE Coal & Mineral	2,700	–
Technology India Private Limited		
Other Investments (Valued at cost) (unquoted)		
100 (31.03.2015 : 100) fully paid shares of Rs. 25/- each of Co Operative Bank of Baroda Ltd.	*	*
Total	2,700	*
Aggregate Book Value of unquoted investments	2,700	*
Aggregate provision for dimunition in value of investments	–	–
* Amount is below the rounding off norms adopted by the Company.		
Note 15 LONG TERM LOANS AND ADVANCES		
Security Deposits		
Unsecured, considered good	130	138
Considered doubtful	2	2
Less : Allowances for doubtful security deposits	2	2
Total	130	138
Note 16 OTHER NON CURRENT ASSETS		
Unsecured, considered good		
Long term trade receivables	577	489
Deposit with Banks having maturity more than twelve months	-	133
Total	577	622
Note 17 INVENTORIES		
(valued at lower of cost and net realisable value)		
Raw Materials and Component	1,649	1,492
Work-in-Progress [refer (i) below]	11,330	10,292
Finished goods	44	66
Stores and spares	682	758
Loose Tools	64	80
Total	13,769	12,688

Notes to Financial Statements

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Note 17 INVENTORIES		
a. Metallurgical Machinery and Material handling Equipment	5,463	5,476
b. Projects/ Special Equipments	4,001	2,086
c. Coal Washing Plant / Machinery / Spares	195	379
d. Pump and Spares	992	711
e. Thickener, Floatation cells and spares	679	1,640
Total	11,330	10,292
Note 18 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	5,362	4,227
Unsecured, considered doubtful	1087	848
Less : Allowances for doubtful debts	1087	848
	5,362	4,227
Other debts		
Unsecured, considered good	9,276	11,002
Total	14,638	15,229
Note 19 CASH AND BANK BALANCES		
Cash and cash equivalent		
Cash on hand	6	19
Demand Deposit with Bank (Less than three months maturity)	139	-
Unpaid Dividend Accounts \$	4	5
Current Accounts with banks	79	417
	228	441
Other Bank Balances		
Bank deposits with original maturity greater than three months and maturing within twelve months #	82	81
Total	310	522

\$ Earmarked for payment of unpaid dividend only.

₹ 76 Lakhs Nil (31.03.2014 ₹ 76 Lakhs) is under lien with a Bank

Notes to Financial Statements

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
Note 20		
SHORT TERM LOANS AND ADVANCES		
Advances to related parties		
Unsecured, considered good, unless stated otherwise	2,125	-
Inter Corporate Deposit given to Holding Company (Refer Note 36 and (a) below) Recoverable from Whole time Director (Refer Note 36)	11	19
	2,136	19
Other Advances		
Unsecured, considered good, unless stated otherwise		
Balance with Government Authorities	358	487
Advance payment of taxes, etc. [Net of Provision for taxation ₹ 2,999 Lakhs (31.03.2015 ₹ 2,999 Lakhs)]	87	123
Advance for goods and services	430	1,070
Others #	99	87
	974	1,767
Others, considered doubtful	33	14
Less: Allowances for doubtful advances	33	14
	974	1,767
Total	3,110	1,786

includes primarily employee advance and prepaid expenses.

(a) Loan has been given to the holding company after complying with the provisions of Sec 186 of the Companies Act, 2013. It has been given for business purpose.

Note 21		
OTHER CURRENT ASSETS		
Unamortised Premium on Forward Contract	4	3
Total	4	3

* Amount is below the rounding off norms adopted by the Company.

Notes to Financial Statements

(₹ in Lakhs)

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Note 22 REVENUE FROM OPERATIONS		
Sale of products [Refer (i) below]	22,545	21,767
Sale of services [Refer (ii) below]	166	110
Other operating revenues		
Scrap Sales	677	557
Energy Income - Wind Mill	108	101
Agency Income	78	10
Total	23,574	22,545
i) Break up of Sale of products		
1. Metallurgical Machinery		
a) Crushing and Screening Plant / Machinery / Spares	8,047	2,750
b) Feeders and Gates Machinery / Spares	122	44
c) Ball Mill-Machinery / Spares	1,549	3,336
d) Structural Steel Work, Engineering, Fabrication and Erection	392	981
2. Material Handling and Conveying Plant / Machinery / Spares	1,045	3,419
3. Coal Washing Plant / Machinery / Spares	-	596
4. Cement Mill/Plant	72	27
5. Pump and Spares	837	1,154
6. Thickener, Floatation cells and spares	1,519	1,030
7. Projects/ Special Equipments	5,111	5,384
8. Others/ Spares	2,142	2,251
9. Trading Sales	1,709	795
Total	22,545	21,767
ii) Break up of Sale of services		
Supervision Charges	36	44
Maintenance Services	68	32
Engineering and Designing Charges	24	-
Erection & Commission Charges	28	17
Others	10	17
Total	166	110
Note 23 OTHER INCOME		
Profit on Sale of Fixed Assets (net)	63	291
Interest Income	1,127	10
Net Gain on foreign currency transactions/translations	104	17
Provision for Mark to Market Loss no longer required written back	23	29
Liabilities no longer required written back	65	205
Provision no longer required written back	-	1
Rental Income	73	73
Miscellaneous Income	18	2
Total	1,473	628

Notes to Financial Statements

(₹ in Lakhs)

		For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Note 24	COST OF MATERIALS CONSUMED		
	(i) Consumption of Raw Materials and Components		
	Opening Stock	1,492	2,131
	Add : Purchases	10,233	8,890
		11,725	11,021
	Less : Closing Stock	1,649	1,492
	Consumption of Raw Materials and Component	10,076	9,529
	(ii) Details of Consumption of Raw Materials, Components, Spare Parts, Stores, etc.		
	Raw materials and Components:		
	Steel	4,981	4,636
	Components	3,403	2,257
	Castings	912	1,446
	Others	780	1,190
	Total	10,076	9,529
	Spare Parts, Stores, etc.:		
	Stores and Spare Parts	983	1,099
	Bearings	180	201
	Motors	133	122
	Others	974	497
	Total	2,270	1,919
	(iii) Break-up of Imported and Indigenous Materials Consumed		
		For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
		Percentage	Percentage
		₹ In Lakhs	₹ In Lakhs
	Raw Materials and Components :		
	Imported	6.14	1.80
	Indigenous	93.86	98.20
	Total	100.00	100.00
		₹ In Lakhs	₹ In Lakhs
	Total	10,076	9,529
	Spare Parts and Stores :		
	Imported	2.77	1.34
	Indigenous	97.23	98.66
	Total	100.00	100.00
		₹ In Lakhs	₹ In Lakhs
	Total	2,270	1,919
Note 25	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
	Opening Stock		
	Work-in-Progress	10,292	9,822
	Finished Goods	66	109
		10,358	9,931
	Less :		
	Closing Stock		
	Work-in-Progress	11,330	10,292
	Finished Goods	44	66
		11,374	10,358
	Total	(1,016)	(427)

Notes to Financial Statements

(₹ in Lakhs)

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Note 26 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	2,633	2851
Contribution to Provident and other funds	180	155
Workmen and Staff welfare expenses	136	126
Total	2,949	3,132

Note 27 EMPLOYEE BENEFITS		
(A) Post Employment Defined Benefit Plans		
(I) Gratuity		
(i) In keeping with the Company's gratuity scheme, eligible employees are entitled for gratuity benefit as per The Payment of Gratuity Act, 1972 on retirement / death/ incapacitation/ termination etc. Also refer Note 1 (xiii) (b) (iii) for accounting policy related to gratuity.		
The following Table sets forth the particulars in respect of the Defined Benefit Plans (funded) of the Company for the year ended 31.03.2016.		

	As at 31st March, 2016	As at 31st March, 2015
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation		
Present Value of Obligation at the beginning of the year	671	729
Current Service Cost	32	35
Interest Cost	51	63
Actuarial (Gains)/Losses	(19)	(15)
Benefits Paid	(128)	(141)
Present Value of Obligation at the end of the year	607	671
(b) Reconciliation of the Opening and Closing balances of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	470	552
Expected Return on Plan Assets	34	46
Actuarial Gains/(Losses) on plan Assets	(1)	2
Contributions	12	11
Benefits paid	(128)	(141)
Fair Value of Plan Assets at the end of the year	387	470
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets		
Present Value of Obligation at the end of the year	607	671
Fair Value of Plan Assets at the end of the year	387	470
Liabilities recognized in the Balance Sheet	(220)	(201)
(d) Expense recognized in the Statement of Profit and Loss		
Current Service Cost	32	35
Interest Cost	51	63
Expected Return on Plan Assets	(34)	(46)
Actuarial (Gains)/Losses	(18)	(17)
Total Expense recognized (included in note 26 - Contribution to Provident and other funds)	31	35

Notes to Financial Statements

(₹ in Lakhs)

	As at 31st March, 2016	As at 31st March, 2015
(e) Category of Plan Assets		
Fund with Insurer	387	470
(f) Actual Return on Planned Assets	33	48
(g) Actuarial Assumptions		
Discount Rate Plan	8.00%	8.00%
Expected Rate of Return on Assets	8.00%	9.00%
Rate of increase in Salary	4.00%	4.00%
Mortality Rate	In accordance with standard table Indian Assured Lives Mortality (2006-08) ultimate.	In accordance with standard table Indian Assured Lives Mortality (2006-08) ultimate.

(ii) The table below illustrates experience adjustment disclosure as per para 120 (n) of Accounting Standard 15 – Employee Benefits.

	For the year ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Present Value of Obligation at the end of the year	607	671	729	738	807
Fair Value of Plan Assets at the end of the year	387	470	552	590	617
Deficit at the end of the year	(220)	(201)	(177)	(148)	(190)
Experience adjustments on plan liabilities [(Gain)/Loss]	(19)	(15)	(2)	(44)	99
Experience adjustments on plan assets [Gain]/(Loss)]	(1)	2	(2)	1	(1)

(II) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.

(III) The contribution expected to be made by the company for the year ended 31st March, 2017 is not readily ascertainable and therefore not disclosed.

(IV) Provident Fund

“Contributions towards provident funds are recognised as expense for the year. The Company contributes to the provident funds trusts set up by the holding company in respect of certain categories of employees which is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee’s salary to and aggregate contributions along with interest thereon are paid to the employee’s/ nominee’s at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investment prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In terms of the Guidance on implementing Accounting Standard -15 (Revised 2005) on ‘Employee Benefits’ issued by the Accounting Standards Board of The Institute of Chartered Accountants of India (ICAI), a provident fund trust set up by the Company are treated as defined benefit plan in view of the Company’s obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan’s liabilities and interest rate guarantee obligation as at the balance sheet date using Projected Unit Capital Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company’s contribution of Rs. 119 lakhs (2014-15 Rs. 80 lakhs) to the Provident Fund Trust has been expensed under the “ Contribution to Provident and Other Funds” in Note 26. Disclosures given hereunder are restricted to the information available as per the Actuary’s report -

Notes to Financial Statements

Principal Actuarial Assumptions	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Discount Rate	8.00%	9.16%
Expected Return on Exempted Fund	8.80%	8.78%
Expected EPFO Return	8.75%	8.75%

(B) Post Employment Defined Contribution Plan

During the year, an amount of ₹ 32 lakhs (2014-15 ₹ 40 lakhs) has been recognised as expenditure towards defined contribution provident fund of the company.

(₹ in Lakhs)

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Note 28 FINANCE COSTS		
Interest expense	3,041	2,295
Other borrowing costs	328	339
Total	3,369	2,634
Note 29 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation/Amortisation on tangible assets	1,492	1,568
Amortisation on intangible assets	87	102
Total	1,579	1,670
Note 30 OTHER EXPENSES		
Professional Fees	311	300
Fabrication and other charges	1,726	2,002
Consumption of stores and spare parts	2,270	1,919
Power	377	319
Repairs to Buildings	14	10
Repairs to Machinery	59	48
General repairs and maintenance	89	98
Rent	71	54
Subscriptions and donations	3	2
Bank charges	32	18
Rates and Taxes	74	22
Insurance	59	62
Freight	431	739
Travelling and conveyance	364	371
Directors' Fees	-	3
Royalty	16	11
Commission Expenses	36	20
Provision for Doubtful Trade Receivables/Advances	11	-
Provision for Warranty	258	315
Loss on sale of Fixed Assets (net)	30	16
Miscellaneous Expenses	428	417
Total	6,659	6,746

(i) Miscellaneous expenses shown above includes Auditor's remuneration and expenses :

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Statutory Audit	26	26
Other Services	16	9
Total	42	35

Notes to Financial Statements

(₹ in Lakhs)

- (ii) The Company has leasing arrangements in respect of operating leases for premises (residential, office, etc.). These leasing arrangements which are cancellable are for a period of 3 years, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals of ₹ 71 lakhs (2014-15 ₹ 54 lakhs) paid/payable are charged as Rent under Other Expenses.

Leasehold rights with respect to a portion of land at Savli, Gujarat had been transferred for a net profit of ₹ Nil (2013-14 ₹ 531 lakhs) and has been treated as Exceptional item.

		For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
Note 31	CIF VALUE OF IMPORT		
	Raw Materials & Components	341	9
	Spare Parts and Stores	280	241
	Total	621	250
Note 32	EXPENDITURE IN FOREIGN CURRENCY		
	Travelling	1	5
	Total	1	5
Note 33	EARNING IN FOREIGN CURRENCY		
	Export Sale (FOB)	248	378
	Agency Income	78	10
	Total	326	388
		As at 31st March, 2016	As at 31st March, 2015
Note 34	DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES		
(i)	The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act		
	Principal	204	60
	Interest	17	8
(ii)	The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year		
	Principal	–	95
	Interest	–	4
(iii)	The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act		
	Principal	54	77
	Interest	9	9
(iv)	The amount of interest accrued and remaining unpaid at the end of the year [including ₹ 7 lakhs (31.03.2014 ₹ 34 lakhs) being interest outstanding as at the beginning of the accounting year]	37	21
(v)	The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act	22	14

Notes to Financial Statements

(₹ in Lakhs)

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company.

Note 35	DERIVATIVE FINANCIAL INSTRUMENTS	Currency	As at 31st March, 2016 In Lakhs		As at 31st March, 2015 In Lakhs	
			Buy	Sell	Buy	Sell
	(a) The Company uses derivative contracts to hedge its exposures in foreign currency. The information on such contracts outstanding as at year end are as follows:					
	Interest Rate Swap	USD	28	–	42	–
	Option	USD	5	5	5	5
	Forward Contract	USD	3	–	1	–
	(b) Foreign Exchange Currency Exposures that have not been hedged by a derivative instrument or otherwise as at year end are as follows:					
	Receivables	USD	–	–	–	2
		EURO	*	*	*	*
	Payables	USD	1	–	1	–
		EURO	1	–	–	–
	Loans Payable	USD	58	–	87	–
	(c) Mark to Market Loss as at year end are as follows:					
	Mark to Market Loss provided for	INR	11		34	

* Amount is below the rounding off norms adopted by the company.

Note 36 RELATED PARTY DISCLOSURES (IN ACCORDANCE WITH ACCOUNTING STANDARD 18 NOTIFIED UNDER THE ACT)

(I) Related Parties and their Relationships

a) Where control exists

i) Holding Company

McNally Bharat Engineering Company Limited (MBECL)

b) Others

i) Subsidiary

MBE Coal & Mineral Technologies India Private Limited (MCMTI)\$

ii) Fellow subsidiaries

McNally Bharat Equipments Limited #

McNally Bharat Infrastructure Limited #

MBE Mineral Technologies Pte Limited #

MBE Minerals Zambia Ltd #

McNally Bharat Engineering (SA) Proprietary Ltd. #

MBE Coal & Minerals Technologies Gmbh (MCMT) #

iii) Key management personnel

Mr. Subir Chaki – Whole time Director

\$ MCMTI is subsidiary w.e.f 30th December 2015

No transactions during the year.

Notes to Financial Statements

	MBECL ₹ in Lakhs	MCMT ₹ in Lakhs	MCMTI ₹ in Lakhs
(II) Transactions during the year:			
Purchase of services	-	-	361
	(137)	(-)	(10)
Corporate Guarantee given	6,200	-	-
	(3,354)	(-)	(-)
Sale of Products and Services	3,050	-	-
	(4,260)	(83)	(1)
Rental income	72	-	-
	(78)	(-)	(-)
Other Income	1,116	-	-
	(-)	(-)	(-)
Rent Paid	44	-	-
	(-)	(-)	(-)
Advance Given	-	-	32
	(-)	(-)	(-)
Loan Given	4,100	-	-
	(-)	(-)	(-)
Loan Recovered	1,975	-	-
	(-)	(-)	(-)
Purchase of shares	2,700	-	-
	(-)	(-)	(-)
Expense Recovered	-	-	-
	(288)	(-)	(-)
Balance outstanding as at 31.03.2016			
Trade Payables	54	-	392
	(54)	(-)	(59)
Trade and Other Receivables	4,364	-	52
	(5,556)	(31)	(52)
Short Term Loans and Advances	2,125	-	-
	(-)	(-)	(-)
Other Current Liabilities	2,700	-	111
	(170)	(-)	(113)
Outstanding Corporate Guarantee Given	6,200	-	-
	(3,354)	(-)	(-)
Outstanding Corporate Guarantee Received	7,366	-	-
	(5,289)	(-)	(-)
Relating to persons referred to in 36 (I) (b) (iii) above			
Remuneration paid	97		
	(93)		
Advance Outstanding	11		
	(19)		
Payables	13		
	(-)		

Figures in brackets are for the year ended 31st March, 2015

Notes to Financial Statements

(₹ in Lakhs)

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Note 37	CONTINGENT LIABILITIES AND COMMITMENTS	
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
Excise Duty matters under dispute	141	85
Sales Tax and Value Added Tax matters under dispute	3,230	2,239
Other demands related to claims made by certain ex-employees towards employee benefits due to them	272	257
	3,643	2,581
(b) Others		
Bills discounted with banks against letter of credit	31	780
Corporate Guarantee to banks on behalf of holding company	6,200	3,354
	6,231	4,134
	9,874	6,715

The future cash outflow in respect to the above cannot be ascertained at this stage.

Note 38 The Company has made provision as at year end for all material losses, if any, on long term contracts.

		As at 31st March, 2016	As at 31st March, 2015
Note 39	EARNINGS PER SHARE		
	Basic and Diluted		
Net Profit after tax available for Equity shareholders	(₹ Lakhs)	(2,678)	(2,853)
Weighted average number of shares outstanding	(No.)	8,989,273	8,989,273
Nominal value of the shares	(₹)	10	10
Earnings/(Loss) per share – Basic and Diluted	(₹)	(29.79)	(31.74)

Note 40 The Company is primarily engaged in a single business segment, viz. “manufacturing and designing of engineering products” and predominantly operates in one Geographical segment. Accordingly, there are no separate reportable segments, as per Accounting Standard – 17 on “Segment Reporting”

Note 41 The Board of McNally Sayaji Engineering Ltd, along with the respective Boards of McNally Bharat Engineering Co Ltd, EMC Ltd and Kilburn Engineering Ltd in their meetings held on March 31, 2016 have decided to amalgamate all the companies into Kilburn Engineering Ltd. The new merged entity under the scheme shall be renamed as McNally Bharat Engineering Limited and shall emerge as a total Engineering Solution. The required applications for permissions are already filed with Competition Commission of India and relevant stock exchanges. Applications for no objection from each of the secured lenders have also been made. The scheme will be filed to the honorable High Court of Calcutta on receipt of approvals from the stock exchanges.

Note 42 Previous year’s figure have been reclassified to conform to this year’s classification.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

Subir Chaki

Whole-time Director

Tehnaz Punwani

Director

Uttam Tekriwal

Chief Financial Officer

Arunabha Acharya

Company Secretary

Information regarding subsidiary companies

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Subsidiaries

(Unless otherwise specifies, all figures in Rs.)

1	Sl. No.	1	2
2	Name of the subsidiary	MBE Coal & Mineral Technology India Private Limited	McNally Sayaji NFLG Construction Equipment Company Private Limited
3	The date since when subsidiary was acquired	30 December 2015	11 November 2014
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company's reporting period	Same as holding company's reporting period
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A
6	Share capital	3,493,230	-
7	Reserves and surplus	233,667,206	-1,974,381
8	Total assets	820,762,850	15,000
9	Total Liabilities	583,602,414	1,989,381
10	Investments	-	-
11	Turnover	395,799,013	-
12	Profit before taxation	9,313,003	-1,945,009
13	Provision for taxation	3,095,218	-
14	Profit after taxation	6,217,785	-1,945,009
15	Proposed Dividend	-	-
16	Extent of shareholding (in percentage)	100%	50%
1	Names of subsidiaries which are yet to commence operations:	McNally Sayaji NFLG Construction Equipment Company Private Limited	
2	*Names of subsidiaries which have been liquidated or sold during the year:	Nil	

Independent Auditors' Report

TO THE MEMBERS OF

McNALLY SAYAJI ENGINEERING LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of McNally Sayaji Engineering Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.



Independent Auditors' Report

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the Group incorporated in India, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and its subsidiary.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group- Refer Note 32 to the consolidated financial statements.
 - ii. The Company has made provision as at March 31, 2016 as required under applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts- Refer Note 33 to the consolidated financial statements in respect of such items as it relates to the Group.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2016.

For **LOVELOCK & LEWES**
 Firm Registration Number: 3010156E
Chartered Accountants
Prabal Kumar Sarkar
Partner
 Membership Number : 52340

Place: Kolkata
 Date: May 27, 2016

Annexure 'A' to the Independent Auditors' Report

Referred to in paragraph 8(f) of the Independent Auditors' Report of even date to the members of McNally Sayaji Engineering Limited on the consolidated financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of McNally Sayaji Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal

Annexure 'A' to the Independent Auditors' Report

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LOVELOCK & LEWES**

Firm Registration Number: 3010156E

Chartered Accountants

Prabal Kumar Sarkar

Partner

Membership Number : 52340

Place: Kolkata

Date: May 27, 2016

Consolidated Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

	Note	As at 31st March, 2016
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2	899
Reserves and Surplus	3	13,986
		14,885
Non-current liabilities		
Long term borrowings	5	6,133
Other Long term liabilities	6	41
Long term Provisions	7	211
		6,385
Current liabilities		
Short term borrowings	8	14,687
Trade Payables	9	
Total outstanding dues of micro enterprises and small enterprises		204
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,163
Other Current liabilities	10	13,697
Short term Provisions	11	800
		38,551
Total		59,821
ASSETS		
Non-current assets		
Fixed assets		
- Tangible assets	12.1	18,212
- Intangible assets	12.2	1,485
- Capital work-in-progress	13	30
Non-current investments	14	*
(*Amount is below the rounding off norms adopted by the Company)		
Deferred tax assets	15	95
Long-term loans and advances	16	135
Other non-current assets	17	577
		20,534
Current Assets		
Inventories	18	14,536
Trade receivables	19	19,924
Cash and Bank Balances	20	762
Short-term loans and advances	21	3,718
Other current assets	22	347
		39,287
Total		59,821
The accompanying notes are an integral part of these Financial Statements		

This is the Consolidated Balance Sheet referred to in our Report of even date.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

For and on behalf of Board of Directors

Subir Chaki

Whole-time Director

Tehnaz Punwani

Director

Uttam Tekriwal

Chief Financial Officer

Arunabha Acharya

Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Note	For the year ended 31st March, 2016
Revenue from operations (Gross)	23	25,618
Less : Excise Duty		2,647
Revenue from operations (Net)		22,971
Other income	24	1,931
Total Revenue		24,902
EXPENSES		
Cost of materials consumed	25	10,776
Purchases of Stock-in-Trade		1,687
Changes in inventories of finished goods and work-in-progress	26	(1,016)
Employee benefits expense	27	3,219
Finance costs	29	3,450
Depreciation and amortization expense	30	1,581
Other expenses	31	6,872
Total expenses		26,569
Profit / (Loss) before tax		(1,667)
Tax expense:		
- Current tax		34
- Deferred tax (credit)		(3)
- Total tax		31
Profit / (Loss) for the year		(1,698)
Earnings per equity share (Face Value of ₹ 10/- each) :		
Basic and Diluted	37	(18.89)
The accompanying notes are an integral part of these Financial Statements		

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

For and on behalf of Board of Directors

Subir Chaki

Whole-time Director

Tehnaz Punwani

Director

Uttam Tekriwal

Chief Financial Officer

Arunabha Acharya

Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lakhs)

	For the year ended 31st March, 2016	
A Cash Flow from Operating Activities		
Profit/(Loss) before taxation and exceptional items		(1,698)
Adjustments for:		
Depreciation/Amortisation on tangible assets	1,493	
Amortisation on intangible assets	88	
Finance Costs	3,114	
Other Borrowing Costs	336	
Interest Income	(1,146)	
Loss/(Profit) on Sale of Fixed Assets (Net)	(63)	
Bad Debts written off	11	
Provision for bad and doubtful trade receivables	263	
Provision for Warranty	54	
Liabilities no longer required written back	(65)	
Provision no longer required written back	(437)	
Provision for Mark to Market Loss no longer required written back	(23)	
Unrealised Loss on foreign currency transactions/ translation (net)	11	3,636
Operating Profit Before Working Capital Changes		1,938
Adjustments for:		
Increase in Trade and Other Receivables	(6,985)	
(Increase) / Decrease in Inventories	(1,848)	
Increase in Trade & Other Payables	7,450	(1,383)
Cash Generated from Operations		555
Direct Taxes paid (Net)		(289)
Net Cash from Operating Activities		266
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,485)	
Sale of Tangible Assets	71	
Interest Received	1,146	(268)
Net Cash (Used in) / from Investing Activities		(268)
C Cash Flow from Financing Activities		
Interest Paid	(2,974)	
Other Borrowing Costs Paid	(336)	
Proceeds from Long Term Borrowings	2,212	
Proceeds from Short Term Borrowings	413	
Repayment of Short Term Borrowings	(738)	
Net increase in Cash Credit Facilities including WCDL	1,274	
Dividend paid [including tax Rs. Nil (2014-15 Rs. Nil)]	(1)	(150)
Net Cash Used in Financing Activities		(150)
Net Increase / (Decrease) in Cash and Cash Equivalents		(152)
Cash and Cash Equivalents (Opening Balance)		441
Cash and Cash Equivalents (Closing Balance)		289

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lakhs)

	For the year ended 31st March, 2016	
1 Cash and Cash Equivalents comprise of :		
Cash on hand		7
Bank Deposit ^		139
Balances with Banks #		143
		289
^ Bank Deposit under lien		
# Includes the following balances which are not available for use by the Company		
Unpaid Dividend Account		4

2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.

The notes are an integral part of these Financial Statements

This is the Consolidated Cash Flow Statement referred to in our Report of even date.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

For and on behalf of Board of Directors

Subir Chaki

Whole-time Director

Tehnaz Punwani

Director

Uttam Tekriwal

Chief Financial Officer

Arunabha Acharya

Company Secretary

Notes to the Consolidated Financial Statements

Note 1 DISCLOSURE RELATING TO ENTITIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statement represents consolidation of accounts of McNally Sayaji Engineering Limited (the Holding Company, also referred to as the Parent Company) and its following subsidiary.

Sr. No.	Name of the Company	Country of incorporation	As At 31.03.2016	
			Proportion of Ownership interest	Reporting Dates
1	MBE Coal & Mineral Technology India Private Limited. (MCMTI)#	India	100.00%	31-Mar-16

Became a subsidiary w.e.f. 30.12.2015

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 – “Consolidated Financial Statements” as notified by Companies (Accounting Standards) Rules, 2006.

The Consolidated financial statements are prepared on the following basis:

- Subsidiaries are consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases.
- The financial statements of the Holding Company and the Subsidiary companies have been combined on a line by line basis by adding together like item of assets, liabilities, income and expenses. The intra group balances, intra group transactions and unrealized profit or losses thereon if any have been fully eliminated where such transactions took place subsequent to the date of acquisitions of the related subsidiary.
- The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Holding Company in all cases.
- The excess / shortfall of the consideration given over the net value of the identifiable assets acquired in subsidiary company is recognized as goodwill/ capital reserve. Goodwill is disclosed under Fixed asset. Impairment loss is recognized where applicable.
- These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2.2 Tangible Assets, Intangible Assets and Depreciation

- Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any and inclusive of borrowing cost, where applicable, and adjustments for exchange difference referred to in Note 2.7 below. Cost includes inward freight, duties and taxes and expenses incidental to and directly attributable to acquisition and installation of fixed assets. Own manufactured assets are capitalized at cost including an appropriate share of directly attributable overheads. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- Depreciation is provided on pro-rata basis using straight line method over the estimated useful lives of assets. The estimates of useful lives have undergone a change with effect from April 1, 2014, based on technical evaluation and are same as the lives prescribed under Schedule II to the Companies Act, 2013.

Notes to the Consolidated Financial Statements

- (c) Freehold land and leasehold land (perpetual lease) are not depreciated. Other leasehold land are amortised over the period of lease
- (d) Gains or losses arising from disposal of fixed assets carried at cost are recognized in the Statement of Profit and Loss.
- (e) Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Computer software is amortized over a period of two to five years depending upon its useful life.

2.3 Borrowing Costs

Borrowing costs attributable to acquisition/construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

2.4 Impairments

The carrying amount of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount (i.e., higher of net selling price and value in use).

2.5 Investments

Long Term Investments are valued at cost less provision for diminution (other than temporary) in the carrying amount thereof as determined by the Board of Directors based on periodical review.

2.6 Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using Weighted Average method. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Foreign currency translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/ losses (other than relating to reporting of long-term foreign currency monetary items) arising out of settlement of foreign currency transaction or from year end restatement are recognized in the Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets are adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability).

2.8 Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard -11 on "The Effects of Changes in Foreign Exchange Rates"), gains/losses on settlement and mark to market loss relating to outstanding contracts as at the Balance Sheet date is recognized in the Statement of Profit and Loss. Refer Note 2.7 above for forward exchange contracts covered under Accounting Standard -11 on "The Effects of Changes in Foreign Exchange Rates".

2.9 Revenue Recognition



Notes to the Consolidated Financial Statements

Revenue on contracts is recognized using percentage of completion method wherein the stage of completion is determined with reference to the ratio of the contract cost incurred for work performed up to the reporting date to the estimated total contract cost. In the case of unit rate contracts the stage of completion is determined with reference to the valuation of the actual amount of work completed as per the contracted rates. In cases where the current estimate of total contract cost and revenue indicate a loss, such loss is recognized as an expense. A provision is made for liquidated damages and penalties in terms of the contract wherever conditions for invoking such liquidated damages/penalties already exists.

Sale of goods : Revenue from sale of products is recognized on transfer of risks and rewards of ownership to customers based on the contract with customers for delivery. Sales include excise duty and are net of sales returns, discounts and exclude sales tax/ value added tax where applicable.

Sale of Services : Revenue is recognised as and when it become due as per terms of contract and are recognized net of service tax.

2.10 Other Income

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from duty drawback : Income from duty drawback is recognized in the Statement of Profit and Loss on an accrual basis.

2.11 Employee Benefits

(a) Short Term

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis.

(b) Post Employment

(i) Provident Fund

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Company receive provident fund benefits, which are administered by the independent Provident Fund Trust. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall, there is a defined benefit plan. Actuarial valuation of the Company's liability under such scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the Statement of Profit and Loss. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.

(ii) Superannuation Fund

This is the defined contribution plan. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees . The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

(iii) Gratuity

This is a defined benefit plan. The schemes, which are funded with SBI Life Insurance Co. Ltd. and Life Insurance Corporation of India (LIC), are administered by independent trusts. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method. Actuarial gains/ losses are recognized immediately in the Statement of Profit and Loss as income/ expense.

(c) Other Long Term

Other long term represent Leave Encashment, Sick Leave and Long Service Award (defined benefit plans) which is provided for based on year end actuarial valuation using Projected Unit Credit Method. Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss as income/expense.

Notes to the Consolidated Financial Statements

2.12 Current and Deferred Tax

Current tax is provided as the amount of tax payable in respect of taxable income for the year measured using applicable tax rules and laws.

Deferred tax is provided on timing differences between taxable income and accounting income measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only if there is a virtual/ reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.

2.13 Provisions and Contingent Liabilities

Provisions : Provisions are recognized when the company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent Liabilities are disclosed when the company has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made.

2.14 Leases

Lease rentals in respect of assets taken on operating lease are charged to revenue.

2.15 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.16 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17 Warranty Provision

A warranty provision is raised for future estimated warranty claims based on past experience, as well as specific claims known at year end.

2.18 Use of Estimates

The preparation of the Financial Statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumption used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates.



Notes to the Consolidated Financial Statements

		As at 31st March, 2016
Note 3	SHARE CAPITAL	
	(i) Authorised	
	5,00,00,000 Equity Shares of ₹ 10/- each	5,000
	(ii) Issued, Subscribed and Paid up	
	89,89,273 Equity Shares of ₹ 10/- each, fully paid up	899
	(iii) 67,29,698 Equity Shares are held by the holding company	
	(iv) Shares issued for consideration other than cash	
	- 34,55,529 Equity Shares of Rs.10 each were issued as fully paid up pursuant to a Scheme of Arrangement	

(v) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	As at 31st March, 2016	
	₹ in Lakhs	In No's
Shares outstanding at the beginning of the year	899	89,89,273
Shares outstanding at the end of the year	899	89,89,273

(vi) **Terms/rights attached to equity shares**

The Company has only one class of equity share having a par value of ₹ 10/- per share. Each holder of equity is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

(vii) **Details of shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholders	As at 31st March, 2016	
	No. of shares	% of Holding
McNally Bharat Engineering Company Limited	67,29,698	74.86
EIG (Mauritius) Limited	13,40,000	14.91

		As at 31st March, 2016
Note 4	RESERVES AND SURPLUS	
	Capital Reserve	8,115
	Securities Premium Account	3,372
	General Reserve	1,465
	Surplus in Statement of Profit and Loss	
	Balance as per last account	2,732
	Add : Profit / (Loss) for the year	(1,698)
	Balance as at the end of the year	1,034
	Total	13,986

		As at 31st March, 2016
Note 5	LONG TERM BORROWINGS	
	Secured Loans	
	Term Loans	
	From Banks	10,682
	From Others	1
		10,683
	Less : Current maturities of Long Term Debt (refer Note 10)	4,550
	Total	6,133

Notes to the Consolidated Financial Statements

Nature of Security and terms of repayment for Secured Borrowings

Nature of Security	Terms of Repayment
i. Year end term loan balance from ICICI Bank Ltd. of Rs 530 Lakhs is secured by first pari passu charge over the immoveable and moveable fixed assets of the Parent Company (excluding Kumardhubi plant - Unit 1) both present and future. This facility is also guaranteed by Holding Company.	Loan is repayable in 10 equal half yearly installments, the first such installment being due on September 15, 2011 and at the end of every six months thereafter. Interest is payable at the rate of LIBOR + 2.50% p.a. on amount beginning April 6, 2009 and every half year thereafter. Interest rate is to be reset two business days before the start of each interest period.
ii. Year end term loan balance from ICICI Bank Ltd. of Rs 3,316 Lakhs is secured by first pari passu charge on all moveable and immoveable fixed assets of the Parent Company (excluding Kumardhubi plant - Unit 1) both present and future.	Loan is repayable in 8 equal half yearly installments, the first such installment being due on February 27, 2014 and at the end of every six months thereafter. Interest is payable at the rate of LIBOR + 4.40% p.a. on amount beginning February 28, 2011 and every half year thereafter. Interest rate is to be reset two business days before the start of each interest period.
iii. Year end term loan balance from DBS Bank Ltd. of Rs 1,836 Lakhs is secured by first pari passu charge on all moveable and immoveable fixed assets of the Parent Company (excluding Kumardhubi plant - Unit 1) both present and future. This facility is also guaranteed by Holding Company.	Loan is repayable in 13 equal quarterly installments, the first such installment being due on May 14, 2014 and at the end of every quarter thereafter. Interest is payable at the rate of LIBOR+ 2.95% p.a. on amount beginning August 14, 2012 and quarterly thereafter.
iv. Year end term loan balance from ICICI Bank Ltd. of Rs 5,000 Lakhs is secured by first pari passu charge on all moveable and immoveable fixed assets of the Parent Company (excluding Kumardhubi plant - Unit 1) both present and future. This facility is also guaranteed by Holding Company.	Loan is repayable in 8 equal half yearly installments, the first such installment being due on June 17, 2017 and at the end of every six months thereafter. Interest is payable at the rate of 12.75% p.a. on amount beginning June 18, 2015 and every half year thereafter.
v. Year end balance of Car Loan (term) from Kotak Mahindra Prime Limited Rs. 1 Lakhs to be secured by hypothecation of motor vehicles acquired out of the loan.	Car Loans are repayable in 60 equal monthly installments. Interest is payable at the rate of 11.35% p.a.

Details of defaults of principal and interest:

Period and amount of continuing defaults as on 31 March 2016:

	Interest	Principal
Term Loan	130	919

	As at 31st March, 2016
Note 6 OTHER LONG TERM LIABILITIES	
Trade Payables	41
Total	41
Note 7 LONG TERM PROVISION	
Provision for employee benefits	200
Provision for mark to market losses on derivatives	11
Total	211



Notes to the Consolidated Financial Statements

		As at 31st March, 2016
Note 8	SHORT TERM BORROWINGS	
	Secured Loans from Banks	
	Loans Repayable on demand #	13,024
		13,024
	Unsecured Loans	
	From Banks	1,250
	Inter - corporate deposit	413
		1,663
	Total	14,687
	Nature of Security on Secured Loans availed from Banks	
	# Cash Credit facilities and Working Capital Demand Loans are secured by first pari passu charge on entire current assets of the Parent Company. This facility is also secured by second pari passu charge over the immoveable and moveable fixed assets of the Kumardhubi plant - Unit II, Asansol unit , Baroda unit and Bangalore unit both present and future.	10,925
	# ICICI Bank Limited : Secured by first charge by way of hypothecation of Company's entire stock of raw materials, work-in-progress, semi-finished and finished goods, consumable Stores and spares and other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating bank, if any. Interest is payable on such facility at I-Base + spread is 4.25% and its effective rate as on balance sheet date is 14.25%. ING Vysya Bank Limited : Secured by first charge by way of hypothecation of Company's entire stock of raw materials, work-in-progress, semi-finished and finished goods, consumable Stores and spares and other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating bank, if any. Interest is payable on such facility at IVRS Plus 570 bps and its effective rate as on balance sheet date is 16.50%. Secured by Corporate Guarantee of McNally Bharat Engineering Limited (MBEL) in favour of ICICI Bank Limited and ING Vysya Bank Limited State Bank of India : Secured by way of Fixed Deposit pledged with State Bank of India.	2,099
Note 9	TRADE PAYABLES	
	Total outstanding dues of micro enterprises and small enterprises	204
	Total outstanding dues of creditors other than micro enterprises and small enterprises and acceptance	9,163
	Total	9,367
Note 10	OTHER CURRENT LIABILITIES	
	Current maturities of long-term borrowings (Refer Note 5)	4,550
	Interest accrued but not due on Borrowings	71
	Interest accrued and due on Borrowings	176
	Temporary Overdraft	1,084
	Unpaid Dividends @	4
	Payable against purchase of shares (Refer Note 35) #	2,700
	Other Payables	
	Advance received from customers	2,077
	Liability for Capital Asset	47
	Dues payable to government authorities	553
	Employee benefits payable	488
	Liability for Other Expenses \$	1,947
	Total	13,697

Notes to the Consolidated Financial Statements

@ There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

\$ includes primarily Creditors for other expenses and Deposit received from supplier.

Payable against purchase of shares of MCMTI

		As at 31st March, 2016
Note 11	SHORT TERM PROVISIONS	
	Provision for employee benefits	256
	Provision for Warranty [Refer (a) below]	161
	Provision for Liquidated damages [Refer (b) below]	229
	Provision for Anticipated Loss on Contracts [Refer (c) below]	150
	Other Provision	4
	Total	800
	a) Movement of Provision for Warranty :	
	Balance as at the beginning of the year	177
	Additions	65
	Amount used	(81)
	Balance as at the end of the year	161
	b) Movement of Liquidated Damages:	
	The company has as a matter of abundant caution recorded an accrual for liquidated damages in respect of contracts where there has been a default in providing services on time to customers in terms of deliverables as agreed to in the contracts. The movement in the carrying value of liquidated damages is as follows:	
	Balance as at the beginning of the year	866
	Provision Additions	-
	Provision used	-
	Provision written back	(358)
	Balance as at the end of the year	508
	Included in Provision for Doubtful Debts	279
	Included in Others Provision	229
	c) Movement of Anticipated Damages:	
	A provision for anticipated loss is recognised where it is probable that the estimated contract costs are likely to exceed the total contract revenue. The activity in the provision for anticipated losses is as follows:	
	Balance as at the beginning of the year	169
	Provision Additions	-
	Provision used	(19)
	Provision written back	-
	Balance as at the end of the year	-
		150



Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Note 12 TANGIBLE ASSETS

Particulars	GROSS BLOCK AT COST / VALUATION					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1st April, 2015	Additions	Other Adjustments	Acquired on acquisition (#)	Sale/ Adjustment	As at 31st March, 2016	As at 1st April, 2015	Acquired on acquisition (#)	For the year	Sale/ Adjustment	As at 31st March, 2016	As at 31st March, 2016
Lease hold Land	2,825	-	102	1	-	2,928	104	*	29	-	133	2,795
Free hold Land	251	38	-	-	-	289	-	-	-	-	-	289
Building	13,065	-	309	37	12	13,399	1,639	29	525	4	2,189	11,210
Plant and Machinery	8,476	24	37	116	-	8,653	4,280	59	828	-	5,167	3,486
Plant and Machinery - Windmill	764	-	-	-	-	764	500	-	51	-	551	213
Furniture and Fixture	339	-	3	4	-	346	154	3	38	-	195	151
Refrigerators and Air Conditioners	87	-	1	1	1	87	43	-	8	1	50	37
Office Equipments	219	3	1	68	4	287	219	63	4	4	282	5
Motor Vehicles	63	-	-	16	1	78	34	9	10	1	52	26
Total	26,089	65	453	242	18	26,832	6,973	163	1,493	10	8,619	18,212

INTANGIBLE ASSETS

Particulars	GROSS BLOCK AT COST / VALUATION					AMORTISATION					NET BLOCK	
	As at 1st April, 2015	Additions	Other Adjustments	Acquired on acquisition (#)	Sale/ Adjustment	As at 31st March, 2016	As at 1st April, 2015	Acquired on acquisition (#)	For the year	Sale/ Adjustment	As at 31st March, 2016	As at 31st March, 2016
Goodwill on Consolidation	-	1,310	-	-	-	1,310	-	-	-	-	-	1,310
Design and Drawings	2,250	-	-	-	-	2,250	2,001	-	75	-	2,076	174
Computer Software	189	1	2	142	-	334	180	140	13	-	333	1
Technical Knowhow	20	-	-	-	-	20	20	-	-	-	20	-
Total	2,459	1,311	2	142	-	3,914	2,201	140	88	-	2,429	1,485

- a Other Adjustments for Tangible assets include :
Rs. 452 Lakhs being adjustment relating to exchange difference.
- b Other Adjustments for Intangible assets include Rs.2 Lakhs being adjustment relating to exchange difference.
- c Pursuant to the Scheme of Arrangement between the Parent Company and McNally Bharat Engineering Company Limited (MBECL), the holding company, the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain assets of the Company comprised in erstwhile Product Division of MBECL.

Pertains to assets of MCMIT as at 30th December, 2015 consolidated in keeping with the requirement of AS21.

* Amount is below the rounding off norms adopted by the Group.

Notes to the Consolidated Financial Statements

	As at 31st March, 2016
Note 13 CAPITAL WORK IN PROGRESS	
Capital Work in Progress	30
Total	30

Note 14 NON CURRENT INVESTMENT	
Other Investments (Valued at cost) (unquoted)	
100 fully paid shares of Rs. 25/- each of Co Operative Bank of Baroda Ltd.	*
Total	-
Aggregate Book Value of unquoted investments	*
Aggregate provision for diminution in value of investments	-

* Amount is below the rounding off norms adopted by the Group.

Note 15 DEFERRED TAX ASSET (NET)	
Deferred Tax Liability on account of -	
- Depreciation	(1,543)
Deferred Tax Asset on account of -	
- Unabsorbed Tax Depreciation/Loss	1,170
- Items allowable for tax purpose on payment basis	108
- Other Items	360
Total	95

The Parent Company has substantial unabsorbed depreciation and carry forward loss under the Income-tax Act, 1961. The Deferred Tax Asset relating to such unabsorbed depreciation and other items are significantly higher than the Deferred Tax Liability arising on account of timing difference. Accordingly, the Parent Company have recognised Deferred Tax Asset to the extent of available Deferred Tax Liability.

Note 16 LONG TERM LOANS AND ADVANCES	
Capital Advances	
Unsecured, considered good	5
Security Deposits	
Unsecured, considered good	130
Considered doubtful	2
Less: Allowances for doubtful security deposits	2
Total	135

Note 17 OTHER NON CURRENT ASSETS	
Unsecured, considered good	
Long term trade receivables	577
Total	577

Notes to the Consolidated Financial Statements

		As at 31st March, 2016
Note 18	INVENTORIES	
	(value at lower of cost or net realisable value)	
	Raw Materials and Component	2,416
	Work-in-progress [refer (i) below]	11,330
	Finished goods	44
	Stores and spares	682
	Loose Tools	64
	Total	14,536
	i) Break up of Work-in-progress	
	a. Metallurgical Machinery and Material handling Equipment	5,463
	b. Projects/ Special Equipments	4,001
	c. Coal Washing Plant / Machinery / Spares	195
	d. Pump and Spares	992
	e. Thickener, Floatation cells and spares	679
	Total	11,330
Note 19	TRADE RECEIVABLES	
	Outstanding for a period exceeding six months from the date they are due for payment	
	Unsecured, considered good	7,358
	Unsecured, considered doubtful	1,387
	Less : Allowances for doubtful debts	1,387
		7,358
	Other debts	
	Unsecured, considered good	12,566
	Total	19,924
Note 20	CASH AND BANK BALANCES	
	Cash and cash equivalent	
	Cash on hand	7
	Demand Deposit with Bank (Less than three months maturity)	139
	Unpaid Dividend Accounts \$	4
	Current Accounts with banks	139
		289
	Other Bank Balances	
	Bank deposits with original maturity greater than three months and maturing within twelve months #	473
	Total	762

\$ Earmarked for payment of unpaid dividend only.

Rs.466 Lakhs is under lien with a Bank.

Notes to the Consolidated Financial Statements

		As at 31st March, 2016
Note 21	SHORT TERM LOANS AND ADVANCES	
	Advances to related parties	
	Unsecured, considered good, unless stated otherwise	2,125
	Inter Corporate Deposit given to Holding Company (Refer Note 35 and (a) below) Recoverable from Whole time Director (Refer Note 35)	11
	Others	110
		2,246
	Other Advances	
	Unsecured, considered good, unless stated otherwise	
	Balance with Government Authorities	358
	Advance payment of taxes, etc. [Net of Provision for taxation ₹ 2,999 Lakhs]	286
	Advance for goods and services	536
	Others #	292
		1,472
	Others, considered doubtful	33
	Less: Allowances for doubtful advances	(33)
		1,472
	Total	3,718

includes primarily employee advance and prepaid expenses.

(a) Loan has been given to the holding company after complying with the provisions of Sec 186 of the Companies Act, 2013. It has been given for business purpose.

Note 22	OTHER CURRENT ASSETS	
	Interest Accrued on Deposits with Banks	3
	Unamortised Premium on Forward Contract	4
	Gratuity Recivable [Refer a below]	25
	Due from Customers (Net) [Refer b below]	315
	Total	347

a. Gratuity Actuarial Valuation - Fair value of Plan Asset is more than Present value of obligation.

b. Represents Excess of cost incurred and profit / loss recognised as per AS 7 over actual sales billing.

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

	For the Year Ended 31st March, 2016
Note 23 REVENUE FROM OPERATIONS	
Sale of products	24,268
Sale of services	461
Other operating revenues	
Scrap Sales	677
Energy Income - Wind Mill	108
Agency Income	78
Contract Revenue	26
Total	25,618
Note 24 OTHER INCOME	
Profit on Sale of Fixed Assets (net)	63
Interest Income	1,146
Net Gain on foreign currency transactions/translations	100
Provision for Mark to Market Loss no longer required written back	23
Liabilities no longer required written back	65
Provision no longer required written back	437
Provision for Anticipated Losses written back	6
Rental Income	73
Miscellaneous Income	18
Total	1,931
	For the Year Ended 31st March, 2016
Note 25 COST OF MATERIALS CONSUMED	
(i) Consumption of Raw Materials and Components	
Opening Stock	1,492
Add : Purchases	11,700
	13,192
Less : Closing Stock	2,416
Consumption of Raw Materials and Component	10,776
Note 26 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	
Opening Stock	
Work-in-Progress	10,292
Finished Goods	66
	10,358
Less :	
Closing Stock	
Work-in-Progress	11,330
Finished Goods	44
	11,374
Total	(1,016)

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

	For the Year Ended 31st March, 2016
Note 27 EMPLOYEE BENEFITS EXPENSE	
Salaries, Wages and Bonus	2,878
Contribution to Provident and other funds	192
Workmen and Staff welfare expenses	149
Total	3,219

Note 28 EMPLOYEE BENEFITS	
(A) Post Employment Defined Benefit Plans	
(I) Gratuity	
(i) In keeping with the Company's gratuity scheme, eligible employees are entitled for gratuity benefit as per The Payment of Gratuity Act, 1972 on retirement / death/ incapacitation/ termination etc. Also refer Note 2 (11) (b) (iii) for accounting policy related to gratuity.	
The following Table sets forth the particulars in respect of the Defined Benefit Plans (funded) of the Company for the year ended 31.03.2016.	

	As at 31st March, 2016
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation	
Present Value of Obligation at the beginning of the year	837
Current Service Cost	44
Interest Cost	76
Actuarial (Gains)/Losses	(15)
Benefits Paid	(173)
Present Value of Obligation at the end of the year	769
(b) Reconciliation of the Opening and Closing balances of Plan Assets	
Fair Value of Plan Assets at the beginning of the year	657
Expected Return on Plan Assets	61
Actuarial Gains/(Losses) on plan Assets	2
Contributions	21
Benefits paid	(173)
Fair Value of Plan Assets at the end of the year	568
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets	
Present Value of Obligation at the end of the year	769
Fair Value of Plan Assets at the end of the year	568
Liabilities recognized in the Balance Sheet	(201)
(d) Expense recognized in the Statement of Profit and Loss	
Current Service Cost	44
Interest Cost	76
Expected Return on Plan Assets	(61)
Actuarial (Gains)/Losses	(17)
Total Expense recognized (included in note 26 - Contribution to Provident and other funds)	42
(e) Category of Plan Assets	
Fund with Insurer	568

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

	As at 31st March, 2016
(f) Actual Return on Planned Assets	63
(g) Actuarial Assumptions	
Discount Rate Plan	8.00%
Expected Rate of Return on Assets	8-9%
Rate of increase in Salary	4-6%
Mortality Rate	In accordance with standard table Indian Assured Lives Mortality (2006-08) ultimate.

(ii) The table below illustrates experience adjustment disclosure as per para 120 (n) of Accounting Standard 15 – Employee Benefits.

	For the year ended 31st March, 2016
Present Value of Obligation at the end of the year	769
Fair Value of Plan Assets at the end of the year	568
Deficit at the end of the year	(201)
Experience adjustments on plan liabilities [(Gain)/Loss]	(15)
Experience adjustments on plan assets [Gain/(Loss)]	2

(II) The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.

(III) The contribution expected to be made by the company for the year ended 31st March, 2017 is not readily ascertainable and therefore not disclosed.

(IV) Provident Fund

“Contributions towards provident funds are recognised as expense for the year. The Company contributes to the provident funds trusts set up by the holding company in respect of certain categories of employees which is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee’s salary to and aggregate contributions along with interest thereon are paid to the employee’s/ nominee’s at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investment prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In terms of the Guidance on implementing Accounting Standard -15 (Revised 2005) on ‘Employee Benefits’ issued by the Accounting Standards Board of The Institute of Chartered Accountants of India (ICAI), a provident fund trust set up by the Company are treated as defined benefit plan in view of the Company’s obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan’s liabilities and interest rate guarantee obligation as at the balance sheet date using Projected Unit Capital Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company’s contribution of Rs. 119 lakhs to the Provident Fund Trust has been expensed under the “Contribution to Provident and Other Funds” in Note 27. Disclosures given hereunder are restricted to the information available as per the Actuary’s report -

Principal Actuarial Assumptions	For the Year Ended 31st March, 2016
Discount Rate	8.00%
Expected Return on Exempted Fund	8.80%
Expected EPFO Return	8.75%

Notes to the Consolidated Financial Statements

(B) Post Employment Defined Contribution Plan

During the year, an amount of ₹ 89 lakhs has been recognised as expenditure towards defined contribution provident fund of the company.

		For the Year Ended 31st March, 2016
Note 29	FINANCE COSTS	
	Interest expense	3,114
	Other borrowing costs	336
	Total	3,450
Note 30	DEPRECIATION AND AMORTIZATION EXPENSE	
	Depreciation/Amortisation on tangible assets	1,493
	Amortisation on intangible assets	88
	Total	1,581
Note 31	OTHER EXPENSES	
	Professional Fees	335
	Fabrication and other charges	1,771
	Consumption of stores and spare parts	2,274
	Power	380
	Repairs to Buildings	14
	Repairs to Machinery	59
	General repairs and maintenance	89
	Rent	73
	Subscriptions and donations	4
	Bank charges	32
	Rates and Taxes	81
	Insurance	64
	Technical Drawing Expenses	25
	Freight	433
	Travelling and conveyance	391
	Royalty	16
	Commission Expenses	38
	Bad debts written off	11
	Provision for Doubtful Trade Receivables/Advances	263
	Provision for Warranty	54
	Miscellaneous Expenses	465
	Total	6,872

(i) Miscellaneous expenses shown above includes Auditor's remuneration and expenses :

		For the Year Ended 31st March, 2016
	Statutory Audit	28
	Other Services	17
	Reimbursement of Expenses	2
	Total	47



Notes to the Consolidated Financial Statements

- (ii) The Company has leasing arrangements in respect of operating leases for premises (residential, office, etc.). These leasing arrangements which are cancellable are for a period of 3 years, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals of Rs. 73 lakhs paid/payable are charged as Rent under Other Expenses.

(₹ in Lakhs)

Note 32 CONTINGENT LIABILITIES AND COMMITMENTS	
(i) Contingent Liabilities	
(a) Claims against the company not acknowledged as debts	
Excise Duty matters under dispute	141
Sales Tax and Value Added Tax matters under dispute	3,323
Demand for Income Tax	111
Other demands related to claims made by certain ex-employees towards employee benefits due to them	272
	3,847
(b) Others	31
Bills discounted with banks against letter of credit	6,200
Corporate Guarantee to banks on behalf of holding company	6,231
Total	10,078

The future cash outflow in respect to the above cannot be ascertained at this stage.

Note 33

The group has made provision as at year end for all material losses if any, on long term contracts.

Note 34

The Company is primarily engaged in a single business segment, viz. "manufacturing and designing of engineering products" and predominantly operates in one Geographical segment. Accordingly, there are no separate reportable segments, as per Accounting Standard – 17 on "Segment Reporting"

Note 35 RELATED PARTY DISCLOSURES (IN ACCORDANCE WITH ACCOUNTING STANDARD 18 NOTIFIED UNDER THE ACT)

(I) Related Parties and their Relationships

a) Where control exists

i) Holding Company

McNally Bharat Engineering Company Limited (MBECL)

b) Others

i) Fellow subsidiaries

McNally Bharat Equipments Limited #

McNally Bharat Infrastructure Limited #

MBE Mineral Technologies Pte Limited #

MBE Minerals Zambia Ltd #

McNally Bharat Engineering (SA) Proprietary Ltd. #

MBE Coal & Minerals Technologies GmbH (MCMTI) #

iii) Key management personnel

Mr. Subir Chaki – Whole time Director - MSEL

Mr. G. Mustafi – Director & Chief Executive officer - MCMTI

No transactions during the year.

§ MCMTI is subsidiary w.e.f 30th December 2015

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

	MBECL ₹ in Lakhs	MCMT ₹ in Lakhs
(II) Transactions during the year:		
Purchase of services	-	1
Purchase of fixed assets	-	145
Corporate Guarantee given	6,200	-
Sale of Products and Services	3,050	-
Rental income	72	-
Reimbursement of Expenses	-	23
Other Income	1,116	-
Rent Paid	44	-
Loan Given	4,100	-
Loan Recovered	1,975	-
Purchase of shares	2,700	-
Reimbursement Availed	-	17

Balance outstanding as at 31.03.2016

	MBECL	MCMT	MBIL
	₹ in Lakhs		
Trade Payables	116	164	27
Trade and Other Receivables	4,664	24	-
Short Term Loans and Advances	2,125	-	-
Other Current Liabilities	2,700	-	-
Outstanding Corporate Guarantee Given	6,200	-	-
Outstanding Corporate Guarantee Received	7,366	-	-
Relating to persons referred to in 36 (I) (b) (iii) above			
Remuneration paid			
Mr. Subir Chaki – Whole time Director - MSEL -	97		
Mr. G.Mustafi – Director & Chief Executive officer - MCMTI	70		
Advance Outstanding			
- Mr. Subir Chaki – Whole time Director - MSEL	11		
Payables			
- Mr. G.Mustafi – Director & Chief Executive officer - MCMTI	9		
- Mr. Subir Chaki – Whole time Director - MSEL	13		

Note 36 DERIVATIVE FINANCIAL INSTRUMENTS	Currency	As at 31st March, 2016 In Lakhs	
		Buy	Sell
(a) The Company uses derivative contracts to hedge its exposures in foreign currency. The information on such contracts outstanding as at year end are as follows:			
Interest Rate Swap	USD	28	-
Option	USD	5	5
Forward Contract	USD	-	-

Notes to the Consolidated Financial Statements

(b) Foreign Exchange Currency Exposures that have not been hedged by a derivative instrument or otherwise as at year end are as follows:			
Receivables	USD	–	–
	EURO	*	*
Payables	USD	1	–
	EURO	1	–
Loans Payable	USD	58	–

	₹ in Lakhs	As at 31st March, 2016
Note 37 EARNINGS PER SHARE		
Basic and Diluted		
Net Profit after tax available for Equity shareholders	Rs. in Lakhs	(1,698)
Weighted average number of shares outstanding	No.	8,989,273
Nominal value of the shares	Rs.	10
Earnings / (Loss) per share – Basic and Diluted	Rs.	(18.89)

Note 38 The Board of McNally Sayaji Engineering Ltd, along with the respective Boards of McNally Bharat Engineering Co Ltd, EMC Ltd and Kilburn Engineering Ltd in their meetings held on March 31, 2016 have decided to amalgamate all the companies into Kilburn Engineering Ltd. The new merged entity under the scheme shall be renamed as McNally Bharat Engineering Limited and shall emerge as a total Engineering Solution. The required applications for permissions are already filed with Competition Commission of India and relevant stock exchanges. Applications for no objection from each of the secured lenders have also been made. The scheme will be filed to the honorable High Court of Calcutta on receipt of approvals from the stock exchanges.

Note 39 Additional information pursuant to the requirement of Schedule III to the Act of entities considered in Consolidated Financial Statements are set out below :

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated Net assets	Amount Rs Lakhs	As % of consolidated profit and loss	Amount Rs Lakhs
Parent :				
McNally Sayaji Engineering Limited	93	13,904	158	(2,678)
Subsidiary				
MBE Coal & Mineral Technology India Private Limited	7	980	(58)	980
TOTAL	100	14,885	100	(1,698)

Note 40 Previous year's figure have been reclassified to conform to this year's classification.

For **LOVELOCK & LEWES**

Firm Registration Number : 301056E

Chartered Accountants

Prabal Sarkar

Partner

Membership Number : 52340

Place : Kolkata

Date : 27th May, 2016

Subir Chaki
Whole-time Director

Tehnaz Punwani
Director

Uttam Tekriwal
Chief Financial Officer

Arunabha Acharya
Company Secretary

McNally Sayaji Engineering Limited

Corporate Identity Number (CIN): L28999WB1943PLC133247
Registered Office: Four Mangoe Lane, Kolkata – 700001, West Bengal, India
T: +9133-6628 2280 | F: +9133 6628 2393
E: mse.corp@mbecl.co.in | W: http://www.mcnallysayaji.com/

Attendance Slip Annual General Meeting

Members or their proxies are requested to present this attendance slip for entry, duly completed and signed in accordance with their specimen signature registered with the Company.

DP ID	Client ID
Regd. Folio No. *	No. of Shares

Name of Member: _____

Name of Proxy: _____

Address as registered with the Company: _____

I/We hereby record my/our presence at the Annual General Meeting of the Company to be held on Thursday, September 29, 2016, at 3:00 p.m at Ecospace, Campus 2B, 11F/12, New Town, Rajarhat, Kolkata - 700156.

Please (✓) in the box. Member Proxy

Member's Signature

Proxy's Signature

*Applicable for investor holding shares in physical form

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L28999WB1943PLC133247
Name of the company : McNally Sayaji Engineering Limited
Registered office : 4 Mangoe Lane, Kolkata - 700001, West Bengal, India

Name of the member (s)
Registered address
E-mail Id
Folio No/ Client Id
DP ID

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name
Address
E-Mail ID
Signature or failing him
2. Name
Address
E-Mail ID
Signature or failing him

3. Name
Address
E-Mail ID
Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Thursday, September 29, 2016, at 03:00 p.m at Ecospace, Campus 2B, 11F/12, New Town, Rajarhat, Kolkata – 700156, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1 To receive, consider and adopt the audited financial statements and audited consolidated financial statements of the Company for the financial year ended March 31, 2016, and the Reports of the Directors and Auditors thereon
- 2 To appoint a Director in place of Mr. Heath Brian Zarin (DIN: 02670769), who retires by rotation, and being eligible, offers himself for re-appointment
- 3 To ratify the appointment of the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company for the year ending March 31, 2017
- 4 To ratify the appointment and remuneration of S K Sahu & Associates for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2017
- 5 To enter into contract(s)/ arrangement(s)/ transaction(s) with McNally Bharat Engineering Company Limited (“MBECL”), the holding company of this company and a related party, on such terms and conditions as may be mutually agreed upon, upto a maximum amount of Rs. 250 crore for the financial year 2016-2017

Signed this _____ day of _____ 2016

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



McNally Sayaji Engineering Limited
Ecospace Business Park, Campus-2B, 4th Floor
11F/12, Rajarhat, New Town
Kolkata - 700 156

McNally Sayaji Engineering Limited

Corporate Identity Number (CIN): L28999WB1943PLC133247

Registered Office: Four Mangoe Lane, Kolkata – 700001, West Bengal, India

T: +9133-6628 2280 | F: +9133 6628 2393

E: mse.corp@mbocl.co.in | W: <http://www.mcnallysayaji.com/>

Folio No./DP. Id./Client Id:	
Name:	
Address:	
Joint Holder(s):	
No. of shares held:	

Dear Member,

Sub : Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, McNally Sayaji Engineering Limited (“MSEL” or “the Company”) is offering e-voting facility to its Members in respect of the businesses to be transacted at the Annual General Meeting scheduled to be held on Thursday, September 29, 2016, at 03:00 p.m.

The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facilities. The e-voting particulars are set out below:

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	USER ID (16 Digit Demat Account/Folio No. of members holding shares in physical mode)	PERMANENT ACCOUNT NUMBER (PAN) (Original PAN / as per point no. 1 - (vii) of e-voting procedure of Instructions)
160901003		

The e-voting facility will be available during the following voting period :

Commencement of e-voting : From Monday, September 26, 2016, at 09:00 hrs

End of e-voting: Up to Wednesday, September 28, 2016, at 17:00 hrs

Please read the instructions printed overleaf before exercising the vote. This Communication forms an integral part of the Notice dated August 23, 2016, for the Annual General Meeting scheduled to be held on Thursday, September 29, 2016, at 03:00 p.m. A copy of the said Notice is sent herewith. Attention is invited to the statement on the accompanying Notice that the businesses of the Meeting may be transaction through electronic voting system and that the Company is providing facility for voting by electronic means.

The Notice of the Annual General Meeting and this Communication are also available on the website of the Company at <http://mcnallysayaji.com/>

By Order of the Board of Directors
For **McNally Sayaji Engineering Limited**

Arunabha Acharya
Company Secretary

Kolkata, August 23, 2016

Instruction and other information relating to e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, September 26, 2016, at 09:00 hrs and ends on Wednesday, September 28, 2016, at 17:00 hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 22, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <McNally Sayaji Engineering Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.