

**McNALLY SAYAJI ENGINEERING LIMITED**  
CIN No : L28999WB1943PLC133247, Web - Site : www.mcnallysayaji.com  
Regd Office - 4, Mangoe Lane, Kolkata - 700 001, Phone No : 913330142280  
Corp Office - Ecospace, Campus 2B, New Town, Rajarhat, Kolkata - 700156  
Statement of Standalone Audited Financial Results For The Quarter and Year Ended 31st March, 2020

*Rupees in Lakhs*

PARTICULARS	Quarter Ended			Year Ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Audited	Unaudited	Audited	Audited	Audited
<b>1 Income</b>					
a) Revenue from Operations	3,243	2,952	6,217	14,229	21,857
b) Other Income	253	110	(123)	500	1,023
<b>Total Income</b>	<b>3,496</b>	<b>3,062</b>	<b>6,094</b>	<b>14,729</b>	<b>22,880</b>
<b>2 Expenses</b>					
a) Cost of Materials Consumed	1,492	1,274	2,546	6,842	8,777
b) Purchases of Stock-in-trade	-	-	1,000	-	2,411
c) Changes in inventories of work-in-progress and finished goods	131	(139)	421	456	1,414
d) Employee Benefits Expense	418	656	641	2,458	2,714
e) Finance Costs	74	33	828	448	3,363
f) Depreciation and Amortisation Expense	221	96	274	792	1,247
g) Other Expenses	1,647	772	1,496	4,415	4,768
<b>Total expenses (a to h)</b>	<b>3,983</b>	<b>2,692</b>	<b>7,206</b>	<b>15,411</b>	<b>24,694</b>
<b>3 Profit/(Loss) before tax and exceptional items (1-2)</b>	<b>(487)</b>	<b>370</b>	<b>(1,112)</b>	<b>(682)</b>	<b>(1,814)</b>
<b>4 Exceptional items</b>	<b>-</b>	<b>-</b>	<b>(2,591)</b>	<b>-</b>	<b>(2,591)</b>
<b>5 Profit/(Loss) before tax (3-4)</b>	<b>(487)</b>	<b>370</b>	<b>(3,703)</b>	<b>(682)</b>	<b>(4,405)</b>
<b>6 Income Tax expenses</b>					
a) Current tax	-	-	-	-	-
b) Deferred tax	-	-	(781)	-	(1,150)
<b>Total tax expenses (a + b)</b>	<b>-</b>	<b>-</b>	<b>(781)</b>	<b>-</b>	<b>(1,150)</b>
<b>7 Profit / (Loss) for the period/year (5 -6)</b>	<b>(487)</b>	<b>370</b>	<b>(2,922)</b>	<b>(682)</b>	<b>(3,255)</b>
<b>8 Other comprehensive income, net of tax</b>					
Items that will not be reclassified to profit or loss					
a) Remeasurements of post-employment benefit obligations	30	(29)	(157)	(57)	(115)
b) Income tax relating to these items	15	-	43	15	30
<b>Total other comprehensive income (net of income tax)</b>	<b>45</b>	<b>(29)</b>	<b>(114)</b>	<b>(42)</b>	<b>(85)</b>
<b>9 Total comprehensive income for the period/year (7 + 8)</b>	<b>(442)</b>	<b>341</b>	<b>(3,036)</b>	<b>(724)</b>	<b>(3,340)</b>
<b>10 Paid up Equity Share Capital (Face value Rs.10/- per share)</b>	<b>1,259</b>	<b>1,259</b>	<b>1,259</b>	<b>1,259</b>	<b>1,259</b>
<b>11 Earning/(Loss) Per Share (of Rs 10/- each) (not annualised)</b>					
Basic and Diluted	(3.87)	(1.12)	(23.21)	(5.42)	(27.30)
<b>12 Reserves, excluding revaluation reserve</b>				<b>7,040</b>	<b>7,764</b>

See accompanying note to the Standalone Financial Results

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**McNALLY SAYAJI ENGINEERING LIMITED**  
**Statement of Standalone Assets and Liabilities for the year ended 31st March, 2020**

Rupees in Lakhs		
PARTICULARS	As at	
	31-03-2020	31-03-2019
	Audited	Audited
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	13,078	13,555
Capital Work-in-progress	-	24
Investment Property	361	364
Other Intangible Assets	2	-
<b>Financial Assets</b>		
Investments	2,700	2,700
Trade Receivables	423	644
Other Financial Assets	119	34
Deferred Tax assets	5,397	5,397
Other Non-current Assets	85	104
<b>Total Non-current Assets</b>	<b>22,165</b>	<b>22,822</b>
<b>Current Assets</b>		
Inventories	9,817	10,018
<b>Financial Assets</b>		
Trade Receivables	6,714	7,414
Cash and Cash Equivalents	502	316
Bank Balances other than above	187	271
Other Financial Assets	40	27
Current Tax Assets (Net)	58	292
Other Current Assets	1,489	1,034
<b>Total Current Assets</b>	<b>18,807</b>	<b>19,372</b>
<b>Total Assets</b>	<b>40,972</b>	<b>42,194</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	1,259	1,259
<b>Other equity</b>		
Reserve and Surplus	7,040	7,764
<b>Total Equity</b>	<b>8,299</b>	<b>9,023</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	-	4,564
Other Financial Liabilities	222	-
Employee Benefit Obligations	362	163
<b>Total Non-current liabilities</b>	<b>584</b>	<b>4,727</b>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	17,963	14,902
<b>Trade Payables</b>		
A Total outstanding dues of Micro Enterprises and Small Enterprises	30	21
B Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	4,909	5,839
Other Financial Liabilities	4,832	3,379
Provisions	66	69
Employee Benefit Obligations	83	309
Other Current Liabilities	4,206	3,925
<b>Total Current Liabilities</b>	<b>32,089</b>	<b>28,444</b>
<b>Total Liabilities</b>	<b>32,673</b>	<b>33,171</b>
<b>Total Equity and Liabilities</b>	<b>40,972</b>	<b>42,194</b>

**McNally Sayaji Engineering Limited**

**Notes to the Statement of Standalone Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2020**

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 15<sup>th</sup> July, 2020.
2. The Company is primarily engaged in a single business segment, viz. "manufacturing and designing of engineering products" and predominantly operates in one Geographical segment. Hence, in the opinion of the Chief Operating Decision Maker, the Company's operation comprises of only one reporting segment. Accordingly, there are no separate reportable segments, as per Indian Accounting Standard 108 on "Segment Reporting".
3. The Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on their debts. The Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including Rs. 784 Lakhs during the quarter ended) and Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings, for the financial year ended 31<sup>st</sup> March, 2020.
4. The Company's financial performance has been adversely affected due to downturn of the infrastructure and core sector, working capital constraints and external factors beyond the Company's control and the Company has not been able to meet its financial commitments /covenants to lenders and various other stakeholders. The Company has received binding Term Sheet for infusion of fresh funds for debt restructuring. The Term Sheet is being discussed with the Lenders of the Company and the necessary process has been initiated for debt restructuring. In the meanwhile, with the COVID-19 lockdown in the country, progress of the funding of the investors has been impacted. Based on the aforesaid ongoing developments, the Management is still hopeful that with the support of investors and the lenders and approval of the restructuring proposal, the Company shall be able to generate sufficient cash inflows through profitable operations to discharge its financial obligations. Accordingly, the Board of Directors have decided to prepare the Standalone Financial Results based on going concern basis.
5. The World Health Organization (WHO) declared outbreak of COVID-19 a global pandemic on 11th March, 2020. Consequent to this, Government of India (GOI) has declared a national lockdown on 24<sup>th</sup> March, 2020 which got extended from time to time. The COVID- 19 is significantly impacting business operations of the Company, by way of interruption in the project activities, supply chain disruption, limited availability of human resource etc. The Company is closely monitoring the situation and the operations are being resumed in a phased manner considering directives from the GOI. The Company has evaluated its liquidity position and recoverability and carrying value of its Non-current and Current assets and has concluded that no material adjustments are required currently at this stage.

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McNally Sayaji Engineering Limited

Notes to the Statement of Standalone Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2020 (Continued)

6. The Company had recognised Deferred Tax Assets amounting to Rs. 5,397 Lakhs upto 31<sup>st</sup> March, 2019. The Company believes that based on the infusion of fresh funds by the investors coming to the Company and the lenders support on the debt restructuring proposal, there will be adequate future taxable profits available to the Company against which the Deferred Tax Assets can be utilised. However, the Company has not recognised Deferred Tax Assets for the financial year ended 31<sup>st</sup> March, 2020 taking a conservative approach.
7. In earlier years, the Company had issued a corporate guarantee in favour of the lender banks of the Holding Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardhubi Unit-1 having a book value of Rs. 540 lakhs as on 31<sup>st</sup> March, 2020. The Review Report of the Holding Company for the nine months ended 31<sup>st</sup> December, 2019 expressed material uncertainty towards going concern of the Holding Company which is undergoing a debt restructuring plan. Since the resolution plan of its Holding Company is under development phase, no provision has been considered in the Standalone Financial Results of the Company.
8. The Company has adopted Ind AS 116 "Leases", effective annual reporting period beginning 1<sup>st</sup> April, 2019 and adopted the standard using modified retrospective transition method where at the date of initial application, the lease liability is measured at the present value of remaining lease payments and right to use asset has been recognised at an amount equal to the lease liability. Accordingly, the comparative information for periods relating to earlier years has not been restated. The adoption of this Standard did not have any significant impact to the Standalone Financial Results of the Company.
9. Figures for quarter ended 31<sup>st</sup> March, 2020 are the balancing figures between unaudited figures for the nine months ended 31 December, 2019 and Audited Figures for the financial year ended 31<sup>st</sup> March, 2020.
10. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

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(PRADIP KUMAR TIBDEWAL)  
WHOLE TIME DIRECTOR  
DIN-07977787

Date: 15<sup>th</sup> July, 2020

Place: Kolkata

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Mcnally Sayaji Engineering Limited		
Standalone Cash Flow Statement for the year ended March 31, 2020		
	Rs in lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(682)	(4,405)
Adjustments for :-		
Depreciation on Tangible Assets	789	1,213
Amortisation of Intangible assets	0	31
Depreciation on Investment Property	3	3
Loss / (Gain) on Sale of Fixed Assets (Net)	0	(5)
Interest income	(96)	(21)
Finance costs	448	3,338
Provision for bad and doubtful trade receivables	315	317
Bad Debts written off	1	7
Advance written off	27	12
Liabilities no longer required written back	(246)	(373)
Provision no longer required written back	-	(395)
Advance written back	(65)	(112)
Provision for Warranty	(3)	(16)
Net exchange differences	4	-
Interest Income on unwinding on revenue deferred	30	(78)
Deferred Retention Income	(36)	61
<b>Cash flow from operating activities before change in operating assets and liabilities</b>	<b>489</b>	<b>(423)</b>
Decrease / (Increase) in trade Receivables and Other Assets	132	1,501
Decrease / (Increase) in inventories	201	3,796
Increase / (Decrease) in Trade & Other Payables	12	(3,722)
Increase / (Decrease) in employee benefit obligations	(70)	(40)
<b>Cash generated from operations</b>	<b>764</b>	<b>1,112</b>
Income taxes (paid) / received	234	(4)
<b>Net cash inflow from operating activities</b>	<b>998</b>	<b>1,108</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(285)	(80)
Proceeds from sale of property, plant and equipment	1	16
Interest received	96	21
Investment made	-	(119)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(188)</b>	<b>(162)</b>
<b>Cash flows from financing activities</b>		
Repayment of Borrowings	(82)	(366)
Interest paid	(475)	(2,855)
Net increase (decrease) in Cash Credit Facilities including WCCL	(67)	2,261
<b>Net cash outflow from financing activities</b>	<b>(624)</b>	<b>(960)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>186</b>	<b>(14)</b>
Cash and cash equivalents at opening of the year	316	330
Cash and cash equivalents at end of the year	502	316
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>		
Cash and cash equivalents as per above comprise of the following	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Cash and cash equivalents	502	316
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>502</b>	<b>316</b>

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on 'Cash Flow Statement'.

2. Previous period figures have been rearranged/regrouped wherever necessary.

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**Independent Auditor's Report on the Standalone Financial Results of McNally Sayaji Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**The Board of Directors**  
**McNally Sayaji Engineering Limited**  
**Campus 2B, Ecospace Business Park**  
**11F/12 Rajarhat, New Town**  
**Kolkata – 700156**

**Report on the Audit of the Standalone Financial Results**

**Adverse Opinion**

We have audited the accompanying Standalone Financial Results ("the Statement") of McNally Sayaji Engineering Limited ("the Company") for the quarter and year ended on 31<sup>st</sup> March, 2020, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19<sup>th</sup> July, 2019 ("the Circular").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- a. is not presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard, and
- b. does not give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss, total comprehensive loss and other financial information for the quarter and the year ended on 31<sup>st</sup> March, 2020.

**Basis for Adverse Opinion**

**Non-Recognition of Interest Expense**

The Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including Rs. 784 Lakhs during the quarter ended) and Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings for the financial year ended 31<sup>st</sup> March, 2020 as referred in Note 3 of the Statement. As a result, finance Costs, liability on account of interest and total comprehensive loss for the financial year ended 31<sup>st</sup> March, 2020 are understated to that extent.

This constitutes a material departure from the requirements of Indian Accounting Standard 109 "Financial Instruments".

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We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

### **Emphasis of Matters**

#### **a) Material uncertainty related to Going Concern**

We draw attention to Note 4 to the Statement that the Company has incurred net loss of Rs. 682 Lakhs during the financial year ended 31st March, 2020 and unable to meet its financial commitments/covenants to lenders and various other stakeholders. The Company's management is currently in discussion with the investor and lenders for carrying out a debt restructuring proposal as informed to us by the Management. These events and conditions indicate a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is solely dependent on the acceptance of the debt restructuring proposal. Based on the Board of Directors' assessment of the successful outcome of the restructuring proposal, this Statement has been prepared as going concern basis.

#### **b) Management's assessment of impact of COVID-19**

We draw attention to Note 5 of the Statement which describes the management's assessment of impact of COVID-19, a global pandemic, on the financial position matters of the Company.

#### **c) Recognition of Deferred Tax Assets**

We draw attention to Note 6 of the Statement, the Company had recognised deferred tax assets of Rs. 5,397 Lakhs upto 31<sup>st</sup> March, 2019 expecting adequate future taxable profits to the Company against which the deferred tax assets can be realised, which is solely dependent on the acceptance of the debt restructuring proposal. However, the Company has not recognised further deferred tax assets for the financial year ended 31<sup>st</sup> March, 2020 on prudent basis.

#### **d) Corporate Guarantee issued by the Company**

We draw attention to Note 7 of the Statement regarding corporate guarantee issued by the Company in favour of the lenders of the Parent Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardubi Unit-1 having a book value of Rs. 540 Lakhs as on 31<sup>st</sup> March, 2020. The Review Report of the Holding Company for the nine months ended 31<sup>st</sup> December, 2019 had expressed material uncertainty related to Going Concern which is undergoing a debt restructuring proposal, provision against the said guarantee in the Statement has not been considered necessary by the management during the financial year ended 31<sup>st</sup> March, 2020.

Our opinion is not modified in respect of these matters.

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## **Management's Responsibilities for the Standalone Financial Results**

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related annual Standalone Financial Statements of the Company. The Company's Board of Directors are responsible for the preparation and presentation of these Standalone Financial Results that give a true and fair view of the loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

- The Standalone Financial Results of the Company for the financial year ended 31<sup>st</sup> March, 2019 were audited by another firm of Chartered Accountants and had expressed a modified opinion vide their Audit Report dated 30<sup>th</sup> May, 2019 on such Standalone Financial Results.
- The Standalone Financial Results include the results for the quarter ended 31<sup>st</sup> March, 2020 being the derived figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were reviewed by us.

Our opinion is not modified in respect of these matters.

**For V. SINGHI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No.: 311017E**

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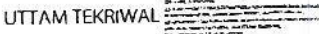
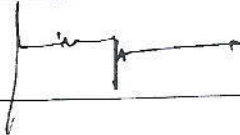
**(V. K. SINGHI)**  
**Partner**

**Membership No.: 050051**  
**UDIN: 20050051AAAADR7495**

**Place:** Kolkata  
**Date:** 15<sup>th</sup> July, 2020

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020**

(See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)

Sl. No.	Particulars	Audited Standalone Figures (as reported before adjusting for qualifications) (Rs in lakhs)	Adjusted Standalone Figures (audited figures after adjusting for qualifications)
I	1 Total income	14,729	14,729
	2 Total Expenditure	15,411	18,720
	3 Net Profit/(Loss)	(682)	(3,991)
	4 Earnings Per Share (In Rupees)	(5.42)	(31.70)
	5 Total Assets	40,974	40,974
	6 Total Liabilities	40,974	44,281
	7 Net Worth	8,299	4,990
	8 Any other financial item(s) (as felt appropriate by the management)		
II	<b>Audit Qualification (each audit qualification separately):</b>		
	a. Details of Audit Qualification:	The Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including Rs. 784 Lakhs during the quarter ended) and Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings, for the financial year ended 31st March, 2020 as referred in Note 3 of the Statement. As a result, finance Costs, liability on account of interest and total comprehensive loss for the financial year ended 31st March, 2020 are understated to that extent.  This constitutes a material departure from the requirements of Indian Accounting Standard 109 "Financial Instruments".	
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Adverse Opinion	
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time	
	d. For Audit Qualification(s) where the Impact is quantified by the Auditor, Management's Views:	The Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on their debts. The Holding Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including Rs. 784 Lakhs during the quarter ended) and Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings, for the financial year ended 31st March, 2020.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i) Management's estimation on the impact of audit qualification:	Not Applicable	
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Applicable	
	(iii) Auditors' Comments on (i) or (ii) above:	Not Applicable	
III	<b>Signatories:</b>		
	• Whole Time Director	 <b>PRADIP KUMAR TIBDEWAL</b>	
	• CFO	 <b>UTTAM TEKRIWAL</b>	
	• Audit Committee Chairman		
	• Statutory Auditor For V. SINGHI & ASSOCIATES Chartered Accountants Firm's Registration No. 311017E  (V.K. SINGHI) Partner Membership No. 060061	<b>VINOD KUMAR SINGHI</b> Digitally signed by VINOD KUMAR SINGHI Date: 2020.07.15 21:17:18 +05'30'	
	Place: Kolkata Date: July 15, 2020		



**MCNALLY SAYAJI ENGINEERING LIMITED**

CIN : L28999WB1943PLC133247, Web - Site : www.mcnallysayaji.com

Regd. Office- Ecospace, Campus 2B, New Town, Rajarhat, Kolkata - 700156 Phone No : 913330142280

**Statement of Consolidated Financial Results For The Quarter and Year Ended 31st March, 2020**

PARTICULARS	Quarter Ended			Year Ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Audited	Unaudited	Audited	Audited	Audited
1 (a) Revenue from operations	3,698	3,804	7,214	17,518	24,581
(b) Other income	575	127	(13)	1,150	1,416
<b>Total Income</b>	<b>4,273</b>	<b>3,931</b>	<b>7,201</b>	<b>18,668</b>	<b>25,997</b>
<b>2 Expenses</b>					
a) Cost of materials consumed	1,749	1,633	3,139	8,401	9,958
b) Purchases of stock-in-trade	-	-	995	-	2,406
c) Changes in inventories of work-in-progress and finished goods	131	(139)	421	456	1,414
d) Employee benefits expense	587	847	820	3,214	3,482
e) Finance costs	157	112	908	773	3,686
f) Depreciation and amortisation expense	224	99	277	806	1,262
g) Other expenses	1,970	1,122	1,971	5,694	6,076
<b>Total expenses (a to g)</b>	<b>4,818</b>	<b>3,674</b>	<b>8,531</b>	<b>19,344</b>	<b>28,284</b>
<b>3 Profit/(Loss) before tax and exceptional items (1-2)</b>	<b>(545)</b>	<b>257</b>	<b>(1,330)</b>	<b>(676)</b>	<b>(2,287)</b>
<b>4 Exceptional items</b>	<b>-</b>	<b>-</b>	<b>(2,591)</b>	<b>-</b>	<b>(2,591)</b>
<b>5 Profit/(Loss) before tax (3-4)</b>	<b>(545)</b>	<b>257</b>	<b>(3,921)</b>	<b>(676)</b>	<b>(4,878)</b>
<b>6 Tax expense</b>					
a) Current tax	-	-	-	-	-
b) Provision Written Back	-	-	-	(25)	-
c) Deferred Tax	-	-	(852)	-	(1,102)
<b>Total tax expenses (a to b)</b>	<b>-</b>	<b>-</b>	<b>(852)</b>	<b>(25)</b>	<b>(1,102)</b>
<b>7 Profit / (Loss) for the period/year (5+/-6)</b>	<b>(545)</b>	<b>257</b>	<b>(3,069)</b>	<b>(651)</b>	<b>(3,776)</b>
<b>8 Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss					
a) Remeasurements of post-employment benefit obligations	25	(30)	(158)	(66)	(120)
b) Income tax relating to these items	15	-	43	15	31
<b>Total Other Comprehensive Income, net of income tax</b>	<b>40</b>	<b>(30)</b>	<b>(115)</b>	<b>(51)</b>	<b>(89)</b>
<b>9 Total Comprehensive Income for the period/year (7 +/- 8)</b>	<b>(505)</b>	<b>227</b>	<b>(3,184)</b>	<b>(702)</b>	<b>(3,865)</b>
<b>10 Paid up Equity Share Capital (Face value Rs.10/- per share)</b>	<b>1,259</b>	<b>1,259</b>	<b>1,259</b>	<b>1,259</b>	<b>1,259</b>
<b>11 Earning/(Loss) Per Share (of Rs 10/- each) (not annualised)</b>					
Basic and Diluted	(4.33)	2.04	(24.38)	(5.17)	(32)
<b>12 Reserves, excluding revaluation reserve</b>				<b>4,609</b>	<b>5,312</b>

See accompanying notes to the Consolidated Financial Results

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## McNally Sayaji Engineering Limited

## Consolidated Statement of Assets and Liabilities

Rupees in Lakhs

PARTICULARS	As at	
	31-03-2020	31-03-2019
	Audited	Audited
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	13,150	13,630
Capital work-in-progress	20	41
Investment property	361	364
Other intangible assets	2	-
<b>Financial Assets</b>		
Trade receivables	490	1,583
Other financial assets	504	476
Deferred tax assets	6,234	6,234
Other non-current assets	91	6
<b>Total non-current assets</b>	<b>20,852</b>	<b>22,334</b>
<b>Current assets</b>		
Inventories	10,771	10,782
<b>Financial assets</b>		
Trade receivables	8,974	9,360
Cash and cash equivalents	521	559
Bank balances other than above	187	272
Other financial assets	725	668
Current tax assets (net)	202	398
Other current assets	1,763	1,316
<b>Total current assets</b>	<b>23,143</b>	<b>23,355</b>
<b>Total assets</b>	<b>43,995</b>	<b>45,689</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,259	1,259
Other Equity	4,609	5,312
<b>Total Equity</b>	<b>5,868</b>	<b>6,571</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	5	4,572
Trade payables	-	-
A Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
B Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1	3
Other Financial Liabilities	222	-
Provisions	145	126
Employee Benefit Obligations	387	186
Other non-current liabilities	-	321
<b>Total non-current liabilities</b>	<b>760</b>	<b>5,208</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	19,821	16,843
Trade payables		
A Total outstanding dues of Micro Enterprises and Small Enterprises	31	21
B Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,494	7,709
Other financial liabilities	5,748	4,203
Provisions	104	103
Employee Benefit Obligations	99	313
Other current liabilities	5,070	4,718
<b>Total current liabilities</b>	<b>37,367</b>	<b>33,910</b>
<b>Total liabilities</b>	<b>38,127</b>	<b>39,118</b>
<b>Total equity and liabilities</b>	<b>43,995</b>	<b>45,689</b>

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## McNally Sayaji Engineering Limited

### Notes to the Statement of Consolidated Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2020

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Holding Company at its meeting held on 15<sup>th</sup> July, 2020.
2. The Group is primarily engaged in a single business segment, viz. "manufacturing and designing of engineering products" and predominantly operates in one Geographical segment. Hence, in the opinion of the Chief Operating Decision Maker, the Group's operation comprises of only one reporting segment. Accordingly, there are no separate reportable segments, as per Indian Accounting Standard 108 on "Segment Reporting".
3. The Holding Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks of the Holding Company have stopped debiting interest on their debts. The Holding Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including Rs. 784 Lakhs during the quarter ended) and and Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings, for the financial year ended 31<sup>st</sup> March, 2020.
4. The Holding Company's financial performance has been adversely affected due to downturn of the infrastructure and core sector, working capital constraints and external factors beyond the Holding Company's control and the Holding Company has not been able to meet its financial commitments /covenants to lenders and various other stakeholders. The Holding Company has received binding Term Sheet for infusion of fresh funds for debt restructuring. The Term Sheet is being discussed with the Lenders of the Holding Company and the necessary process has been initiated for debt restructuring. In the meanwhile, with the COVID-19 lockdown in the country, progress of the funding of the investors has been impacted. Based on the aforesaid ongoing developments, the Management of the Holding Company is still hopeful that with the support of investors and the lenders and approval of the restructuring proposal, the Holding Company shall be able to generate sufficient cash inflows through profitable operations to discharge its financial obligations. Accordingly, the Board of Directors of the Holding Company have decided to prepare the Consolidated Financial Results based on going concern basis.
5. The World Health Organization (WHO) declared outbreak of COVID-19 a global pandemic on 11th March, 2020. Consequent to this, Government of India (GOI) has declared a national lockdown on 24<sup>th</sup> March, 2020 which got extended from time to time. The COVID- 19 is significantly impacting business operations of the Group, by way of interruption in the project activities, supply chain disruption, limited availability of human resource etc. The Group is closely monitoring the situation and the operations are being resumed in a phased manner considering directives from the GOI. The Group has evaluated its liquidity position and recoverability and carrying value of its Non-current and Current Assets and has concluded that no material adjustments are required currently at this stage.

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**McNally Sayaji Engineering Company Limited**

**Notes to the Statement of Consolidated Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2020 (Continued)**

6. The Group had recognised Deferred Tax Assets amounting to Rs. 6,234 Lakhs upto 31<sup>st</sup> March, 2019. The Group believes that based on the infusion of fresh funds by the investors coming to the Holding Company and the lenders support on the debt restructuring proposal, there will be adequate future taxable profits available to the Group against which the Deferred Tax Assets can be utilised. However, the Group has not recognised Deferred Tax Assets for the financial year ended 31<sup>st</sup> March, 2020 taking a conservative approach.
7. In earlier years, the Holding Company had issued a corporate guarantee in favour of the lender banks of its Holding Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardhubi Unit-1 having a book value of Rs. 540 lakhs as on 31<sup>st</sup> March, 2020. The auditors of the McNally Bharat Engineering Company Limited have expressed material uncertainty towards going concern which is undergoing a debt restructuring plan. Since the resolution plan of its Holding Company is under development phase, no provision has been considered in the Consolidated Financial Results of the Company.
8. The Group has adopted Ind AS 116 "Leases", effective annual reporting period beginning 1<sup>st</sup> April, 2019 and adopted the standard using modified retrospective transition method where at the date of initial application, the lease liability is measured at the present value of remaining lease payments and right to use asset has been recognised at an amount equal to the lease liability. Accordingly, the comparative information for periods relating to earlier years has not been restated. The adoption of this Standard did not have any significant impact to the Consolidated Financial Results.
9. Figures for quarter ended 31<sup>st</sup> March, 2020 are the balancing figures between unaudited figures for the nine months ended 31 December, 2019 and Audited Figures for the financial year ended 31<sup>st</sup> March, 2020.
10. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

Date : 15<sup>th</sup> July, 2020

Place: Kolkata

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(PRADIP KUMAR TIBDEWAL)

WHOLE TIME DIRECTOR

DIN-07977787

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McNally Sayaji Engineering Limited		
Consolidated Statement of Cash Flows for the year ended 31st March, 2020		
	Rupees in Lakhs	
	Year ended 31 Mar 2020	Year ended 31 Mar 2019
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(677)	(4,878)
Adjustments for :-		
Depreciation on Property, Plant and Equipments	806	1,262
Loss / (Gain) on Sale of Property, Plant and Equipment (Net)	-	-
Interest income	(96)	(21)
Finance costs	773	3,686
Provision for bad and doubtful trade receivables	329	351
Bad Debts written off	1	7
Advance written off	27	-
Liabilities no longer required written back	(386)	(390)
Provision no longer required written back	-	(395)
Provision for Non Moving Item	-	-
Provision for Warranty	17	(2)
Net exchange differences	5	3
Interest Income on unwinding on revenue deferred	30	-
Deferred Retention Income	(36)	-
<b>Cash flow from operating activities before change in operating assets and liabilities</b>	<b>793</b>	<b>(377)</b>
Decrease / (Increase) in trade and Other Receivables	618	2,016
Decrease / (Increase) in inventories	11	3,832
Increase / (Decrease) in Trade and Other Payables	(192)	(4,124)
Increase / (Decrease) in Employee Benefit Obligation	(276)	63
Increase / (Decrease) in Other Liabilities & Provisions		
<b>Cash generated from operations</b>	<b>954</b>	<b>1,410</b>
Income taxes (paid) / refund	221	(38)
<b>Net cash inflow from operating activities</b>	<b>1,175</b>	<b>1,372</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(298)	(84)
Proceeds from sale of property, plant and equipment	1	14
Interest received	96	21
Investment made in Fixed Deposit		
<b>Net cash inflow (outflow) from investing activities</b>	<b>(201)</b>	<b>(49)</b>
<b>Cash flows from financing activities</b>		
(Repayment of) / Proceeds from Borrowings	(165)	1,829
Interest paid	(779)	(3,189)
Net increase in Cash Credit Facilities including WCCL	(67)	191
Payment of Dividend		(2)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(1,011)</b>	<b>(1,171)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(37)</b>	<b>152</b>
Cash and cash equivalents at opening of the period	559	407
Cash and cash equivalents at end of the period	521	559
<b>Net Change in cash and cash equivalents</b>	<b>(38)</b>	<b>152</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents as per above comprise of the following	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Cash and cash equivalents	521	559
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>521</b>	<b>559</b>

1. The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set
2. Previous period figures have been rearranged/regrouped wherever necessary.

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o=McNally Sayaji Engineering Limited,  
ou=Finance, email=pradip.kumar@mcnallysayaji.com,  
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**Independent Auditor's Report on the Consolidated Financial Results of McNally Sayaji Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**The Board of Directors**

**McNally Sayaji Engineering Limited  
Campus 2B, Ecospace Business Park  
11F/12 Rajarhat, New Town  
Kolkata – 700156**

**Report on the Audit of the Consolidated Financial Results****Adverse Opinion**

We have audited the accompanying Consolidated Financial Results ("the Statement") of McNally Sayaji Engineering Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter and year ended on 31<sup>st</sup> March, 2020, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD1/80/2019 dated 19<sup>th</sup> July, 2019 ("the Circular").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports on Financial Results of the subsidiary company, the Statement:

- a. includes the results of MBE Coal & Mineral Technology India Private Limited, a wholly owned subsidiary of the Holding Company,
- b. is not presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard, and
- c. does not give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss, total comprehensive loss and other financial information of the Group for the quarter and the year ended on 31<sup>st</sup> March, 2020.



## **Basis for Adverse Opinion**

### **Non-Recognition of Interest Expense**

The Holding Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including Rs. 784 Lakhs for the quarter ended) and Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings for the financial year ended 31st March, 2020 as referred in Note 3 of the Statement. As a result, finance Costs, liability on account of interest and total comprehensive loss for the financial year ended 31st March, 2020 are understated to that extent.

This constitutes a material departure from the requirements of Indian Accounting Standard 109 "Financial Instruments".

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our adverse opinion.

### **Emphasis of Matters**

#### **a) Material uncertainty related to Going Concern**

We draw attention to Note 4 to the Statement that the Group has incurred net loss of Rs. 651 Lakhs during the financial year ended 31st March, 2020 and the Holding Company is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The Holding Company's management is currently in discussion with the investor and lenders for carrying out a debt restructuring proposal. These events and conditions indicate a material uncertainty which may cast a significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is solely dependent on the acceptance of the debt restructuring proposal. Based on the Holding Company's Board of Directors' assessment of the successful outcome of the restructuring proposal, this Statement has been prepared as going concern basis.

#### **b) Management's assessment of impact of COVID-19**

We draw attention to Note 5 of the Statement which describes the management's assessment of impact of COVID-19, a global pandemic, on the financial position matters of the Group.

**c) Recognition of Deferred Tax Assets**

We draw attention to Note 6 of the Statement, the Group had recognised deferred tax assets of Rs. 6,234 Lakhs upto 31<sup>st</sup> March, 2019 expecting adequate future taxable profits against which the deferred tax assets can be realised, which is solely dependent on the acceptance of the debt restructuring proposal as described in the above paragraph. However, the Group has not recognised deferred tax assets for the financial year ended 31<sup>st</sup> March, 2020 on prudent basis.

**d) Corporate Guarantee issued by the Holding Company**

We draw attention to Note 7 of the Statement regarding corporate guarantee issued by the Holding Company in favour of the lenders of its Holding Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardubi Unit-1 having a book value of Rs 540 Lakhs as on 31<sup>st</sup> March, 2020. The Review Report of its Holding Company for the nine months ended 31<sup>st</sup> December, 2019 had expressed material uncertainty related to Going Concern which is undergoing a debt restructuring proposal, provision against the said guarantee in the Statement has not been considered necessary by the management of the Holding Company during the financial year ended 31<sup>st</sup> March, 2020.

Our opinion is not modified in respect of these matters.

**Management's Responsibilities for the Consolidated Financial Results**

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared on the basis of the related annual Consolidated Financial Statements of the Company. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the loss and other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- a) The Consolidated Financial Results include the audited Financial Results of one Subsidiary whose Financial Results reflect Group's share of total assets of Rs. 5,953 Lakhs as at 31<sup>st</sup> March, 2020, Group's share of total revenue of Rs. 3,329 Lakhs for the financial year ended 31<sup>st</sup> March, 2020, Group's share of net profit of Rs. 27 Lakhs for the financial year ended 31<sup>st</sup> March, 2020, as considered in the Consolidated Financial Results, which have been audited by us. Our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on our report and the audit procedures performed by us are as stated in paragraph above.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the subsidiary company.



- b) The Consolidated Financial Results of the Group for the financial year ended 31<sup>st</sup> March, 2019 were audited by another firm of Chartered Accountants and had expressed a modified opinion vide their Audit Report dated 30<sup>th</sup> May, 2019 on such Consolidated Financial Results.
- c) The Consolidated Financial Results include the results for the quarter ended 31<sup>st</sup> March, 2020 being the derived figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were reviewed by us.


Our opinion is not modified in respect of these matters.

For **V. SINGHI & ASSOCIATES**  
*Chartered Accountants*  
Firm Registration No.: 311017E

**Place:** Kolkata  
**Date:** 15<sup>th</sup> July, 2020

**(V. K. SINGHI)**  
Partner  
Membership No.: 050051  
UDIN: 20050051AAAADS7710

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020**  
 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] [Consolidated]

Sl. No.	Particulars	Audited Consolidated Figures (as reported before adjusting for qualifications) (Rs in lakhs)	Adjusted Consolidated Figures (audited figures after adjusting for qualifications)
I	1 Total income	18,66	11
	2 Total Expenditure	19,31	2
	3 Net Profit/(Loss)	(651)	(3)
	4 Earnings Per Share	(5.17)	(3)
	5 Total Assets	42,99	4
	6 Total Liabilities	38,12	4
	7 Net Worth	5,86	
	8 Any other financial item(s) (as felt appropriate by the management)		
II	<b>Audit Qualification (each audit qualification separately):</b>		
	a. Details of Audit Qualification:	The Holding Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including 784 Lakhs during the quarter ended) and Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings, for the financial year ended 31st March, 2020 as referred in Note 3 of the Statement. As a result, finance Co liability on account of interest and total comprehensive loss for the financial year ended 31st March, 2020 are understated that extent.  This constitutes a material departure from the requirements of Indian Accounting Standard 109 "Financial Instruments".	
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Adverse Opinion	
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	The Holding Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks of the Holding Company have stopped debiting interest on their debts. The Holding Company has not recognised interest expense on Bank borrowings amounting to Rs. 2,678 Lakhs (including Rs. 784 Lakhs during the quarter ended) & Rs. 631 Lakhs (including Rs. 166 Lakhs for the quarter ended) on Inter-Corporate Borrowings, for the financial year ended 31st March, 2020.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i) Management's estimation on the impact of audit qualification:	Not Applicable	
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Applicable	
	(iii) Auditors' Comments on (i) or (ii) above:	Not Applicable	
III	<b>Signatories:</b>		
	• Whole Time Director	PRADIP KUMAR TIBDEWAL	
	• CFO	UTTAM TEKRIWAL	
	• Audit Committee Chairman		
	• Statutory Auditor For V. SINGHI & ASSOCIATES Chartered Accountants Firm's Registration No. 311017E  (V.K. SINGHI) Partner Membership No. 050051	VINOD KUMAR SINGHI	Digitally signed by VINOD KUMAR SINGHI Date: 2020.07.15 21:25:14 +05'30'
	Place: Kolkata Date: July 15, 2020		