

**MCNALLY SAYAJI ENGINEERING LIMITED**

CIN: L28999WB1943PLC133247, Website : www.mcnallysayaji.com

Regd. Office- Eenspace, Campus 2B, New Town, Rajarhat, Kolkata - 700160 Phone No : 913330142280

Statement of Unaudited Standalone Financial Results For The Quarter and Nine Months Ended 31st December, 2020

PARTICULARS	Rupees in Lakhs					
	Quarter Ended			Nine Months Ended		Year Ended
	31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	31-03-2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 (a) Revenue from Operations						
(b) Other Income	4,847	3,958	2,952	10,992	10,986	14,229
Total Income	128	41	110	198	247	500
2 Expenses	4,975	3,999	3,062	11,190	11,233	14,729
a) Cost of Materials Consumed						
b) Changes in inventories of Work-in-progress and Finished Goods	2,681	1,719	1,274	4,868	5,349	6,842
c) Employee Benefits Expense	(102)	29	(139)	612	325	456
d) Finance Costs	640	616	656	1,724	2,040	2,458
e) Depreciation and Amortisation Expense	1	22	33	35	374	448
f) Other Expenses	163	306	96	776	571	792
Total Expenses (a to f)	1,174	809	772	2,452	2,768	4,415
3 Profit/(Loss) before tax (1-2)	4,557	3,501	2,692	10,467	11,427	15,411
4 Tax Expense	418	498	370	723	(194)	(682)
a) Current tax						
b) Deferred tax Charge/(Credit)	-	-	-	-	-	-
Total Tax Expenses	-	-	-	-	-	-
5 Net Profit / (Loss) for the period/year (3 +/-4)	418	498	370	723	(194)	(682)
6 Other Comprehensive Income						
Items that will not be reclassified to Profit or Loss						
a) Remeasurements of Post-employment Benefit Obligations	(14)	(14)	(29)	(43)	(87)	(57)
b) Income tax relating to these items	3	-	-	11	-	15
Total Other Comprehensive Income, net of income tax	(11)	(14)	(29)	(32)	(87)	(42)
7 Total Comprehensive Income for the period (5 +/- 6)	407	484	341	691	(281)	(724)
8 Paid up Equity Share Capital (Face value Rs.10/- per share)	1,259	1,259	1,259	1,259	1,259	1,259
9 Reserves, excluding revaluation reserve						
10 Earning/(Loss) Per Share (of Rs 10/- each) (not annualised) Basic and Diluted	3.32	3.84	2.94	5.74	(1.54)	(2.89)

Also refer accompanying notes to the Financial Results



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McNally Sayaji Engineering Limited

Notes to the Statement of Unaudited Standalone Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 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 10<sup>th</sup> February, 2021.
2. The above results have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. 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".
4. The Company has been categorised as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on debts. The Company has not recognised interest expense Rs. 2,413 Lakhs on bank borrowings and Rs. 475 Lakhs on Inter-Corporate borrowings for the nine months ended 31<sup>st</sup> December, 2020 (including Rs. 838 lakhs and Rs. 157 lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31<sup>st</sup> December, 2020). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings during the year ended 31<sup>st</sup> March, 2020 was Rs. 2,678 Lakhs and Rs. 631 Lakhs respectively.
5. In earlier years, the Parent Company, McNally Bharat Engineering Company Limited had pledged its investment to the extent of 23,37,211 Equity Shares held in the Company as security against Term Loan availed from ICICI Bank Limited by the Company. During the quarter ended 31<sup>st</sup> December, 2020, ICICI Bank Limited vide its letter dated 27<sup>th</sup> November 2020 has invoked pledge created over these shares and adjusted Re 1/- against the over dues under the facilities availed by the borrower. The Company has objected such invocation vide its letter dated 15<sup>th</sup> December 2020 and not made any adjustment to the carrying value of the Term Loan availed from lender bank.
6. The Company's financial performance had 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's proposal towards resolution plan of debt restructuring is under active consideration of the lenders and the process is in progress. The TEV study has been completed and Ratings process is also being initiated by the Lenders. While the business operation of the Company is not only improving



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satisfactorily aiming towards growth potentialities, the improved cash flow also enables some lenders, having sanctioned "Holding On Operation", adjustment of a cut back from the receipts of the Company against the outstanding debts. The management is confident that with lenders support on the resolution and various other measures, the Company will be able to generate sufficient cash flows through profitable operations improving its net worth and net working capital to discharge its short term and long term liabilities as would be restructured. Accordingly, the Board of Directors have decided to prepare the Standalone Financial Results using the going concern basis of accounting.

7. 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 future business plan and the lenders support on the restructuring proposal, there will be adequate future taxable profits available against which the Deferred Tax Assets can be utilised. However, the Company has not recognised Deferred Tax Assets thereafter taking a conservative approach.
8. In earlier years, the Company had issued a corporate guarantee in favour of the lender banks of its Parent Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardhubi Unit-1 having a carrying value of Rs. 467 lakhs as at 31<sup>st</sup> December, 2020. The Auditors' Report of McNally Bharat Engineering Company Limited for the year ended 31<sup>st</sup> March, 2020 expressed material uncertainty towards going concern of the Holding Company which is undergoing a debt restructuring plan. Since the resolution plan of the Holding Company is under development stage, no provision has been considered in the financial results of the Company.
9. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

Place: Kolkata  
Date : 10<sup>th</sup> February, 2021

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Uttarakhand Chartered Accountants  
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Sector-17, Dehra Dun  
Uttarakhand  
Date: 20/02/2021

(Aseem Srivastav)  
Whole Time Director & Chief Executive Officer  
DIN 3178279



**V. SINGHI & ASSOCIATES**  
*Chartered Accountants*

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**Independent Auditor's Review Report on the Standalone Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2020**

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MCNALLY SAYAJI ENGINEERING LIMITED** ("the Company") for the quarter and nine months ended 31<sup>st</sup> December, 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





#### 4. Basis for Adverse Conclusion

##### Non-recognition of Interest Expense

The Company has not recognised interest expense on bank borrowings and Inter-Corporate borrowings amounting to Rs. 2,413 Lakhs and Rs. 475 Lakhs respectively for the nine months ended 31<sup>st</sup> December, 2020 (including Rs. 838 lakhs and Rs. 157 lakhs interest expense on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31<sup>st</sup> December, 2020). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings during the year ended 31<sup>st</sup> March, 2020 was Rs. 2,678 Lakhs and Rs. 631 Lakhs respectively as referred in Note 4 to the Statement. As a result, finance costs, liability on account of interest and total comprehensive loss are understated to that extent.

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

5. Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 4 above, the Statement of Standalone Unaudited Financial Results has not been prepared in accordance with the applicable Indian Accounting Standards and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### 6. Emphasis of Matters

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

We draw attention to Note 6 to the Statement that the Company is 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. Such events and conditions indicate a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern and the same 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 on going concern basis.

##### b) Recognition of Deferred Tax Assets

We draw attention to Note 7 to the Statement that 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 thereafter on prudent basis.



**c) Non-adjustment of the carrying value of the loan**

We draw attention to Note 5 to the Statement regarding invocation of pledge over 2337211 Equity Share of the company held by Parent Company, McNally Bharat Engineering Company Limited by the lender Bank i.e ICICI Bank Limited as per their letter dated 27<sup>th</sup> November 2020 at a value of Re 1 /- against the Term Loan facility availed by the company .The Company has objected to such invocation by the Bank vide its letter dated 15<sup>th</sup> December 2020 and not made any adjustment to the carrying value of the Term Loan availed by the company.

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

We draw attention to Note 8 to the Statement regarding Corporate Guarantee issued by the Company in favour of the lenders of the 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. 467 Lakhs as on 31<sup>st</sup> December, 2020. The Audit Report of its Holding Company for the year ended 31<sup>st</sup> March, 2020 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 nine months ended 31<sup>st</sup> December, 2020.

Our conclusion on the Statement is not modified in respect of these matters.

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



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

Membership No. 050051

UDIN: 21050051AAAADL4429

Place: Kolkata  
Date: 10<sup>th</sup> February, 2021



**MUNALIYASAJI ENGINEERING LIMITED**  
 CIN : 128999/WB1943PLC13327, Web - Site: www.munaliyasaji.com  
 Regd. Office- Ecospace, Campus 2B, New Town, Rajchat, Kolkata - 700156 Phone No : 913330142260  
 Statement of Unaudited Consolidated Financial Results for The Quarter and Nine Months Ended 31st December, 2020

PARTICULARS	Quarter Ended					Nine Months Ended		Report in Lakhs
	31-12-2020	30-09-2020	31-12-2019	31-12-2020	31-12-2019	Year Ended		
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1 (a) Revenue from Operations	5,329	4,464	3,804	12,761	13,819	17,328		
(b) Other Income	129	41	127	199	374	1,150		
<b>Total Income</b>	<b>5,458</b>	<b>4,505</b>	<b>3,931</b>	<b>12,960</b>	<b>14,193</b>	<b>18,468</b>		
2 Expenses								
a) Cost of Materials Consumed	2,931	1,845	1,633	5,330	6,652	8,401		
b) Changes in Inventories of Work-in-progress and Finished Goods	(102)	29	(136)	612	325	456		
c) Employee Benefits Expense	809	768	847	3,202	2,627	3,214		
d) Finance Costs	116	106	112	307	616	773		
e) Depreciation and Amortisation Expense	166	308	99	789	582	806		
f) Other Expenses	1,364	949	1,122	3,013	3,723	5,694		
<b>Total Expenses (a to f)</b>	<b>5,284</b>	<b>4,005</b>	<b>3,674</b>	<b>12,249</b>	<b>14,525</b>	<b>19,385</b>		
3 Profit/(Loss) before tax (1-2)	174	500	257	311	(132)	(677)		
4 Tax Expense								
a) Current Tax	-	-	-	-	-	-		
b) Provision Written Back	-	-	-	-	-	-		
c) Deferred tax Charge/(Credit)	-	-	-	-	(25)	(25)		
<b>Total Tax Expenses (a to c)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>(25)</b>		
5 Net Profit / (Loss) for the period/year (3 +/-4)	174	500	257	311	(107)	(652)		
6 Other Comprehensive Income								
Items that will not be reclassified to Profit or Loss								
a) Remeasurements of Post-employment Benefit Obligations	(13)	(15)	(30)	(43)	(91)	(65)		
b) Income tax relating to these items	11	(4)	-	11	-	15		
<b>Total Other Comprehensive Income, net of Income tax</b>	<b>(2)</b>	<b>(19)</b>	<b>(30)</b>	<b>(32)</b>	<b>(91)</b>	<b>(50)</b>		
7 Total Comprehensive Income for the period (5 +/-6)	172	482	227	279	(198)	(702)		
8 Paid up Equity Share Capital (Face value Rs.10/- per share)	1,259	1,259	1,259	1,259	1,259	1,259		
9 Reserves, excluding revaluation reserve						4,610		
10 Earning/(Loss) Per Share (of Rs 10/- each) (not annualised) Basic and Diluted	1.38	3.97	2.04	2.47	(0.85)	(5.16)		

Also refer accompanying notes to the Financial Results



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McNally Sayaji Engineering Limited

Notes to the Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2020

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10<sup>th</sup> February, 2021.
2. The above results have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. 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".
4. The Holding Company has been categorised as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on debts. The Holding Company has not recognised interest expense Rs. 2,413 Lakhs on bank borrowings and Rs. 475 Lakhs on Inter-Corporate borrowings for the nine months ended 31<sup>st</sup> December, 2020 (including Rs. 838 lakhs and Rs. 157 lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31<sup>st</sup> December, 2020). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings during the year ended 31<sup>st</sup> March, 2020 was Rs. 2,678 Lakhs and Rs. 631 Lakhs respectively.
5. The Holding Company's financial performance had 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's proposal towards resolution plan of debt restructuring is under active consideration of the lenders and the process is in progress. The TEV study has been completed and Ratings process is also being initiated by the Lenders. While the business operation of the Holding Company is not only improving satisfactorily aiming towards growth potentialities, the improved cash flow also enables some lenders, having sanctioned "Holding On Operation", adjustment of a cut back from receipts of the Company against the outstanding debts. The management of the Holding Company is confident that with lenders support on the resolution and various other measures, the Holding Company will be able to generate sufficient cash flows through profitable operations improving its net worth and net working capital to discharge its short term and long term liabilities as would be restructured. Accordingly, the Board of Directors have decided to prepare the Consolidated Financial Results using the going concern basis of accounting.



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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 future business plan and the lenders support on the restructuring proposal, there will be adequate future taxable profits available against which the Deferred Tax Assets can be utilised. However, the Group had not recognised Deferred Tax Assets thereafter taking a conservative approach.
7. In earlier years, the Parent Company, McNally Bharat Engineering Company Limited had pledged its investment to the extent of 23,37,211 Equity Shares held in the Company as security against Term Loan availed from ICICI Bank Limited by the Company. During the quarter ended 31<sup>st</sup> December, 2020, ICICI Bank Limited vide its letter dated 27<sup>th</sup> November 2020 has invoked pledge created over these shares and adjusted Re 1/- against the over dues under the facilities availed by the borrower . The Company has objected such invocation vide its letter dated 15<sup>th</sup> December 2020 and not made any adjustment to the carrying value of the Term Loan availed from lender bank.
8. In earlier years, the Company had issued a corporate guarantee in favour of the lender banks of its Parent Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardhubi Unit-1 having a carrying value of Rs. 467 lakhs as at 31<sup>st</sup> December, 2020. The Auditors' Report of McNally Bharat Engineering Company Limited for the year ended 31<sup>st</sup> March, 2020 expressed material uncertainty towards going concern of the Holding Company which is undergoing a debt restructuring plan. Since the resolution plan of the Holding Company is under development stage, no provision has been considered in the financial results of the Group.
9. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

Place : Kolkata  
Date : 10<sup>th</sup> February, 2021

ASEEM  
KRISHANMO  
HAN  
SRIVASTAV

(Aseem Srivastav)  
Whole Time Director & Chief Executive Officer  
DIN 3178279



**V. SINGHI & ASSOCIATES**  
*Chartered Accountants*

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Surendra Mohan Ghosh Sarani

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**Independent Auditor's Review Report on the Consolidated Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2020**

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results 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 nine months ended 31<sup>st</sup> December, 2020 ("the Statement").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





#### 4. Basis for Adverse Conclusion

##### Non-recognition of Interest Expense

The Holding Company has not recognised interest expense on bank borrowings and on Inter-Corporate borrowings amounting to Rs. 2,413 Lakhs and Rs. 475 Lakhs for the nine months ended 31<sup>st</sup> December, 2020 (including Rs. 838 lakhs and Rs. 157 lakhs interest expense on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31<sup>st</sup> December, 2020). Amount of interest expense not recognised on bank borrowings and inter-corporate borrowings during the year ended 31<sup>st</sup> March, 2020 was Rs. 2,678 Lakhs and Rs. 631 Lakhs respectively as referred in Note 4 to the Statement. As a result, finance costs, liability on account of interest and total comprehensive loss are understated to that extent.

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

5. Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 4 above, the Statement of Unaudited Consolidated Financial Results has not been prepared in accordance with the applicable Indian Accounting Standards and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### 6. Emphasis of Matters

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

We draw attention to Note 5 to the Statement that 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 lenders for carrying out a debt restructuring proposal as informed to us by the Management. Such events and conditions indicate a material uncertainty which may cast a significant doubt on the Holding Company's ability to continue as a going concern and the same is solely dependent on the acceptance of the debt restructuring proposal of the Holding Company. Based on the Board of Directors' assessment of the successful outcome of the restructuring proposal, this Statement has been prepared on going concern basis.

##### b) Recognition of Deferred Tax Assets

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



**c) Non-adjustment of the carrying value of the loan**

We draw attention to Note 7 to the Statement regarding invocation of pledge over 2337211 Equity Share of the company held by Parent Company, McNally Bharat Engineering Company Limited by the lender Bank i.e ICICI Bank Limited as per their letter dated 27<sup>th</sup> November 2020 at a value of Re 1 /- against the Term Loan facility availed by the company. The Company has objected to such invocation by the Bank vide its letter dated 15<sup>th</sup> December 2020 and not made any adjustment to the carrying value of the Term Loan availed by the company.

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

We draw attention to Note 8 to 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. 467 Lakhs as on 31<sup>st</sup> December, 2020. The Audit Report of its Holding Company for the year ended 31<sup>st</sup> March, 2020 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 nine months ended 31<sup>st</sup> December, 2020.

Our conclusion on the Statement is not modified in respect of these matters.

**7. Other Matter**

The Statement includes the results of MBE Coal & Mineral Technology India Private Limited, a wholly owned subsidiary of the Holding Company.

We did not review the financial information of one subsidiary included in the Statement whose financial information, reflect total revenue of Rs. 1,449 Lakhs and total comprehensive loss of Rs. 412 Lakhs as considered in the statement for the nine months ended 31<sup>st</sup> December, 2020. These Financial results/information are unaudited and certified by the management.

Our conclusion on the Statement is not modified in respect of the above matter.

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



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

Membership No. 050051  
UDIN: 21050051AAAA DM5198

Place: Kolkata  
Date: 10<sup>th</sup> February, 2021