

MCNALLY SAYAJI ENGINEERING LIMITED
CIN: L28999WB1943PLC133247, Web - Site : www.mcnallysayaji.com

Regd. Office- Ecospace, Campus 2B, New Town, Rajarhat, Kolkata - 700160 Phone No : 913330142280
Statement of Audited Standalone Financial Results For The Quarter and Year Ended 31st March, 2021

PARTICULARS	Rupees in Lakhs				
	Quarter Ended			Year Ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
(a) Revenue From Operations	4,850	4,847	3,243	15,842	14,229
(b) Other Income	19	128	253	217	500
Total Income	4,869	4,975	3,496	16,059	14,729
2 Expenses					
a) Cost of Materials Consumed	2,148	2,681	1,492	7,016	6,842
b) Changes in Inventories of Work-in-Progress and Finished Goods	755	(102)	131	1,367	456
c) Employee Benefits Expense	718	640	418	2,442	2,458
d) Finance Costs	53	1	74	88	448
e) Depreciation and Amortisation Expense	163	163	221	939	792
f) Other Expenses	773	1,174	1,647	3,225	4,415
Total Expenses (a to f)	4,611	4,557	3,983	15,078	15,411
3 Profit/(Loss) before Tax and Exceptional Items (1-2)	258	418	(487)	981	(682)
4 Tax Expenses					
a) Current Tax	-	-	-	-	-
b) Deferred Tax(Credit)	-	-	-	-	-
Total Tax Expense	-	-	-	-	-
5 Profit/(Loss) for the period/ year (3+4)	258	418	(487)	981	(682)
6 Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
a) Remeasurements of Post-Employment Benefit Obligations	45	(14)	30	2	(57)
b) Income tax relating to these items	(12)	3	15	(1)	15
Total Other Comprehensive Income	33	(11)	45	1	(42)
7 Total Comprehensive Income for the period /Year (5+/- 6)	291	407	(442)	982	(724)
8 Paid up Equity Share Capital (Face value Rs.10/- per share)	1,259	1,259	1,259	1,259	1,259
9 Other Equity (Excluding Revaluation Reserve)		-	-	8,022	7,040
10 Earning Per Share					
Basic and Diluted	2.31	3.32	(3.87)	7.80	(5.42)

Also refer to the accompanying notes



**JITENDR
A LOHIA**

**ASEEM
KRISHANM
OHAN
SRIVASTAV**

Chartered by ICAI
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MCNALLY SAYAJI ENGINEERING LIMITED		
Statement of Standalone Assets & Liabilities For The Year Ended 31st March, 2021		
PARTICULARS	Rupees in Lakhs	
	As at	
	31-03-2021 Audited	31-03-2020 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	12,202	13,078
Capital work-in-progress	1	*
Investment property	358	361
Other intangible assets	1	2
Financial Assets		
Investments	2,700	2,700
Trade receivables	450	423
Other financial assets	140	119
Deferred tax assets	5,397	5,397
Other non-current assets	140	85
Total non-current assets	21,389	22,165
Current assets		
Inventories	8,358	9,817
Financial assets	-	-
Trade receivables	5,244	6,714
Cash and cash equivalents	1,062	502
Bank balances other than above	235	187
Other financial assets	-	40
Current tax assets (net)	118	58
Other current assets	2,183	1,489
Total current assets	17,200	18,807
Total assets	38,589	40,972
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,259	1,259
Other equity		
Compulsorily convertible preference shares	8,022	7,040
Reserve and Surplus		
Total Equity	9,281	8,299
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	212	222
Employee benefit obligations	384	362
Other non-current liabilities		
Total non-current liabilities	596	584
Current liabilities		
Financial liabilities		
Borrowings	16,330	17,963
Trade payables		
A Total outstanding dues of Micro Enterprises and Small Enterprises	212	30
B Total outstanding dues of Creditors Other than Micro Enterprises and		
Total outstanding dues of micro enterprises and small enterprises (ME &	4,797	4,909
Other financial liabilities	4,639	4,832
Provisions	45	66
Employee Benefit Obligations	73	83
Current Tax Liabilities		
Other current liabilities	2,616	4,206
Total current liabilities	28,712	32,089
Total liabilities	29,308	32,673
Total equity and liabilities	38,589	40,972

* amount is below rounding off norm adopted by the Company



JITENDR
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Digitally signed by JITENDR A LOHIA
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Digitally signed by ASEEM KRISHANMOHAN SRIVASTAV
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McNally Sayaji Engineering Limited
Standalone Statement of Cash Flows for the year ended 31st March, 2021

	Rupees in Lakhs	
	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
Cash flow from operating activities		
Profit/(Loss) before Tax	981	(682)
Adjustments for :-		
Depreciation and Amortisation Expense	939	792
Interest Income	(24)	(96)
Finance Costs	88	448
Provision for Bad and Doubtful Trade Receivables	151	315
Bad Debt Written off	-	1
Advance written off	-	27
Liabilities no longer required written back	(99)	(246)
Provision no longer required written back	(26)	-
Advance written back	-	(65)
Provision for Warranty	-	(3)
Net exchange Differences	(2)	4
Interest Income on unwinding on revenue deferred and Retention Income	-	(6)
	2,008	489
Cash flow from operating activities before change in operating assets and liabilities		
Decrease / (Increase) in trade Receivables and Other Assets	624	132
Decrease / (increase) in inventories	1,459	201
Increase / (Decrease) in Trade & Other Payables	(1,636)	12
Increase / (Decrease) in Employee benefit obligations	12	(70)
	2,468	764
Cash generated from operations		
Income taxes (paid) / received	(60)	234
Net cash inflow from operating activities	2,408	998
Cash flows from investing activities		
Purchase of property, plant and equipment	(64)	(285)
Sale of property, plant and equipment	-	1
Interest received	24	96
Investment made	-	-
Fixed Deposit Matured	(76)	-
Net cash inflow (outflow) from investing activities	(116)	(188)
Cash flows from financing activities		
Repayment of Borrowings	(11)	(82)
Interest paid	(88)	(475)
Net increase (decrease) in Cash Credit Facilities including WCDL	(1,633)	(67)
Net cash outflow from financing activities	(1,732)	(624)
Net increase (decrease) in cash and cash equivalents	560	186
Cash and cash equivalents at opening of the year	502	316
Cash and cash equivalents at end of the year	1,062	502
<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		
Cash and cash equivalents	1,062	502
Balances per Statement of Cash Flows	1,062	502

- The above Standalone Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on 'Statement of Cash Flows'.
- Previous year figures have been rearranged/regrouped wherever necessary.



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McNally Sayaji Engineering Limited

Notes to the Statement of Standalone Audited Financial Results for the quarter and year ended 31st March, 2021

1. Pursuant to the application being CP No.131/KB/2020 filed by one Financial Creditor under section 7 of Insolvency and Bankruptcy Act, 2016, the NCLT Court, Kolkata Bench, while disposing of the matter vide its order dated 11th February, 2021 admitted the application and gave direction to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Jitendra Lohia, registered with the Insolvency and Bankruptcy Board of India under Registration No. IBBI/IPA-001/IP-P00170/2017-19/10339 has been appointed as the Interim Resolution Professional ('IRP') for the Company. The said order of 11th February, 2021 passed by the NCLT Court, Kolkata Bench, has been challenged before the NCLAT, New Delhi vide CA(AT) (Insolvency) No. 147 of 2021. While, stay has been granted by the Hon'ble NCLAT, New Delhi on constitution of Committee of Creditors, the IRP has been directed to ensure that the Company remains a going concern. The application is pending for disposal before the Hon'ble NCLAT, New Delhi.
2. The above results have been reviewed and recommended by the Board of Directors (suspended) as well as IRP at their meeting held on 29th June, 2021.
3. 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.
4. 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".
5. The World Health Organization (WHO) declared outbreak of COVID-19, as a global pandemic and as a consequence, Government of India (GOI) as well as State Governments imposed various restrictions and protocols for compliance from time to time. The COVID-19 has significantly impacted overall business operations globally, the Company being no exception through interruption in the project activities, supply chain disruption, limited availability of human resource etc. However, post lockdown, the operations having resumed gradually in a phased manner following directives from the GOI as well as respective State Governments, the business of the Company is regaining normalcy in terms of volume as well as cash flow. The Company has evaluated its liquidity position, recoverability and carrying value of its assets and concluded that no material adjustments are required currently at this stage.
6. The Company's financial performance was 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



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other stakeholders. After receiving a positive report under TEV study and RP4 rating by Independent Rating Agency the proposal towards resolution plan of debt restructuring has been under active consideration of the lenders. In the meantime, pursuant to the order passed by the NCLT Court, Kolkata Bench, CIRP has been initiated against the Company, as stated in para (1) above. However, in view of the direction of NCLAT, New Delhi, as mentioned in para (1) above, the Standalone Financial Results have been prepared using the going concern basis of accounting.

7. The Company has been categorised as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks stopped charging interest on credit facility availed by the Company. The Company has not recognised interest expense Rs. 4069 Lakhs on bank borrowings and Rs. 629 Lakhs on Inter-Corporate borrowings for the year ended 31st March, 2021 (including Rs. 1656 lakhs and Rs. 154 lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). Further in previous year, Interest expense not recognised by the Company on bank borrowings and inter-corporate borrowings for the year ended 31st March, 2020 was Rs. 2,678 Lakhs and Rs. 631 Lakhs respectively.
8. The Company had recognised Deferred Tax Assets of Rs. 5,397 lakhs upto 31st March, 2019. Under the present circumstances, as stated in para (1) above, The Company had not recognised Deferred Tax Assets thereafter on a conservative approach.
9. On commencement of CIRP, as per the advice of IRP, complete evaluation of the non-moving and slow-moving inventories of the Company has been initiated, in view of some items in Work-in-Progress found non-moving since long, over the years. Necessary disclosures will be made in the Financial Statements for subsequent periods, on completion of the said exercise.

However, preliminary evaluation also resulted in identification of certain inventories which requires reconciliation. Pending complete comprehensive evaluation and reconciliation, no provision has been taken in the financial statements including Rs. 875 Lakhs on such account of shortfall in the value of Inventories (including Work-in-Progress).
10. 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. 472 lakhs as at 31st March, 2021. The Auditors of McNally Bharat Engineering Company Limited expressed material uncertainty towards its going concern which is undergoing a debt restructuring plan. However, no provision has been considered in the financial results of the Company.
11. Term Loan facilities granted to the Company by ICICI Bank Limited are secured, including against pledge over 23,37,211 numbers equity shares of the Company held by McNally Bharat Engineering Company Limited. The said pledge created over 23,37,211 equity shares of the Company has been



**JITENDR
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Chartered Accountant
Firm No. 2222222222
Date: 22/03/2021

**ASEEM
KRISHANMO
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Chartered Accountant
Firm No. 2222222222
Date: 22/03/2021

invoked by ICICI Bank Limited and a sum of Re.1.0 has been adjusted towards the over-dues under the facilities availed by the Company from ICICI Bank Limited. In view of impairment in the investment value in the books of McNally Bharat Engineering Company Limited, a claim of Rs. 4079 lakhs has been lodged against the Company. Pending decision with regard to acknowledgement of the said claim of McNally Bharat Engineering Company Limited vis-à-vis the present status under CIRP of the Company as mentioned in para (1) above, no provision has been considered in the financial results of the Company.

12. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

(Jitendra Lohia)
Interim Resolution Professional

(Aseem Srivastav)
Whole Time Director (Suspended)

Place : Kolkata
Dated: 30th June, 2021



**JITENDR
A LOHIA**

**ASEEM
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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 and Obligations Disclosure Requirements) Regulations, 2015

**The Resolution Professional of
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 31st March, 2021, 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 19th 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 profit, total comprehensive Income and other financial information for the quarter and the year ended on 31st March, 2021.

Basis for Adverse Opinion

Non-Recognition of Interest Expense

The Company has not recognized interest expense on Bank borrowings amounting to Rs.4069 Lakhs (including Rs.1656 Lakhs for the quarter ended) and Rs. 629 Lakhs (including Rs. 154 Lakhs for the quarter ended) on Inter-Corporate Borrowings for the financial year ended 31st March, 2021 as referred in Note 7 of the Statement. As a result, finance Costs, liability on account of interest are understated and total comprehensive profit for the financial year ended 31st March, 2021 are overstated 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 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) We draw attention to Note 1 to the standalone financial results wherein it has been informed that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company vide an order dated 11th February 2021. Pursuant to this order, the powers of the Board of Directors were suspended and were excisable by the Mr. Jitendra Lohia. The order has been challenged before the NCLAT, New Delhi vide CA(AT) (Insolvency) No. 147 of 2021. While, stay has been granted by the Hon'ble NCLAT, New Delhi on constitution of Committee of Creditors, the IRP has been directed to ensure that the Company remains a going concern. The application is pending for disposal before the Hon'ble NCLAT, New Delhi.

b) Material uncertainty related to Going Concern

We draw attention to Note 6 to the Statement that although the Company has disclosed a net profit of Rs. 981 Lakhs during the financial year ended 31st March, 2021 it was 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 management's assessment of the successful outcome of the restructuring proposal, this Statement has been prepared as going concern basis.

c) 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.

d) Recognition of Deferred Tax Assets

We draw attention to Note 8 of the Statement stating that the Company had recognised deferred tax assets of Rs. 5,397 Lakhs upto 31st 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 year as well as for the preceding year on prudent basis.



e) Corporate Guarantee issued by the Company

We draw attention to Note 10 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. 472 Lakhs as on 31st March, 2021. The Review Report of the Holding Company 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 31st March, 2021.

f) Non –adjustment of the carrying value of the Stock

We draw attention to Note 9 to the statement regarding Inventories physically verified during the year by management and the discrepancies observed are yet to be adjusted, As a result closing stock of work in process is overstated by Rs 875 Lakhs and total comprehensive profit for the financial year ended 31st March, 2021 are overstated to that extent.

g) Non-adjustment of the carrying value of the loan

We draw attention to Note 11 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 27th 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 15th December 2020 and not made any adjustment to the carrying value of the Term Loan availed by the company

Our opinion is not modified in respect of these matters.

Management’s Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management by the Board of Directors/IRP and approved in their meeting, has been prepared on the basis of the related annual Standalone Financial Statements of the Company. The Company's management is 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 management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management of the company 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.
- Conclude on the appropriateness of the management'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

- (i) The Standalone Financial Results include the results for the quarter ended 31st March, 2021 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



(V. K. SINGHI)
Partner

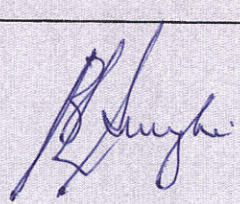
Membership No.: 050051
UDIN: 21050051AAAAGJ3528

Place: Kolkata
Date: 30-06-2021

McNally Sayaji Engineering Limited

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[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) (Rs in lakhs)
1	Total income	16,059	16,059
2	Total Expenditure	15,078	19,776
3	Net Profit/(Loss)	981	(3,717)
4	Earnings Per Share (In Rupees)	7.80	(29.53)
5	Total Assets	38,589	38,589
6	Total Liabilities	38,591	46,598
7	Net Worth	9,281	1,274
8	Any other financial item(s) (as felt appropriate by the management)	-	-
II Audit Qualification (each audit qualification separately):			
a. Details of Audit Qualification:	The Company has not recognised interest on Bank borrowings amounting to Rs. 4069 lacs and Rs. 629 Lakhs on Inter-Corporate Borrowings for the financial year ended 31st March, 2021 as referred in Note 7 of the Statement. As a result, finance Costs, liability on account of interest are understated and total comprehensive profit is overstated for the financial year ended 31st March, 2021 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	Since Financial Year 2019-20		
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 charging interest on credit facility availed by the Company. The Company has not recognised interest expense Rs.4069 Lakhs on Bank borrowings and Rs. 629 Lakhs on Inter-Corporate borrowings for the year ended 31st March, 2021. Further in previous year, Interest expense not recognised by the Company on Bank borrowings and Inter-Corporate borrowings for the year ended 31st March, 2020 was Rs. 2678 Lakhs and Rs. 631 Lakhs respectively		
e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
(i) Management's estimation on the impact of audit	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		
Signatories:			
• Interim Resolution Professional	<p align="center">JITENDR A LOHIA</p> <small> 1. Name of the person: JITENDR A LOHIA 2. Designation: Interim Resolution Professional 3. Address: 10/1, Sector 14, Gurgaon, Haryana 4. Contact No: 98100 12345 5. Email: jlohia@mcnallysayaji.com </small>		
• Whole Time Director (Suspended)	<p align="center">ASEEM KRISHANMOHAN SRIVASTAV</p> <small> 1. Name of the person: ASEEM KRISHANMOHAN SRIVASTAV 2. Designation: Whole Time Director (Suspended) 3. Address: 10/1, Sector 14, Gurgaon, Haryana 4. Contact No: 98100 12345 5. Email: aseem@mcnallysayaji.com </small>		
• CFO	<p align="center">PURAJIT ROY</p> <small> 1. Name of the person: PURAJIT ROY 2. Designation: CFO 3. Address: 10/1, Sector 14, Gurgaon, Haryana 4. Contact No: 98100 12345 5. Email: purajit@mcnallysayaji.com </small>		
• Statutory Auditor For V. SINGHI & ASSOCIATES Chartered Accountants Firm's Registration No. 311017E (V.K. SINGHI) Partner Membership No. 050051			
Place: Kolkata			
Date: June 30, 2021			



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 Audited Consolidated Financial Results For The Quarter and Year Ended 31st March, 2021

Rupees in Lakhs

PARTICULARS	Quarter Ended			Year Ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	Audited	Unaudited	Audited	Audited	Audited
1 (a) Revenue from Operations	5,411	5,329	3,698	17,772	17,518
(b) Other Income	303	129	575	502	1,150
Total Income	5,714	5,458	4,273	18,274	18,668
2 Expenses					
a) Cost of Materials Consumed	2,503	2,931	1,749	7,833	8,401
b) Changes in Inventories of Work-in-Progress and Finished Goods	755	(102)	131	1,367	456
c) Employee Benefits Expense	802	809	587	3,004	3,214
d) Finance Costs	82	116	157	389	773
e) Depreciation and Amortisation Expense	166	166	224	951	806
f) Other Expenses	1,060	1,364	1,970	4,073	5,694
Total expenses (a to f)	5,368	5,284	4,818	17,617	19,344
3 Profit/(Loss) before tax and exceptional items (1-2)	346	174	(545)	657	(676)
4 Tax expense					
Current tax	-	-	-	-	-
Provision Written Back	-	-	-	-	(25)
Deferred tax Charge/(Credit)	-	-	-	-	-
Total Tax Expenses (a to b)	-	-	-	-	(25)
5 Profit/(Loss) for the period/year (4 +/-5)	346	174	(545)	657	(651)
6 Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
a) Remeasurements of post-employment benefit obligations	61	(13)	25	18	(66)
b) Income tax relating to these items	(11)	11	15	-	15
Total Other Comprehensive Income, net of income tax	50	(2)	40	18	(51)
7 Total Comprehensive Income for the period (6 +/- 7)	396	172	(505)	676	(702)
8 Paid up Equity Share Capital (Face value Rs.10/- per share)	1,259	1,259	1,259	1,259	1,259
9 Earning/(Loss) Per Share (of Rs 10/- each) (not annualised)					
Basic and Diluted	2.75	1.38	-4.33	5.22	(5.17)

Also refer to the accompanying notes



**JITENDR
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Public Accountants & Chartered Accountants
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REGISTRATION NO. 2007/0000001
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MEMBER OF THE INSTITUTE OF TAXATION
MEMBER OF THE INSTITUTE OF BANKERS
MEMBER OF THE INSTITUTE OF FINANCIAL MANAGERS
MEMBER OF THE INSTITUTE OF DIRECTORS
MEMBER OF THE INSTITUTE OF COMPANY SECRETARIES
MEMBER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS

**ASEEM
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OHAN
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McNally Sayaji Engineering Limited

Consolidated Statement of Assets and Liabilities

Rupees in Lakhs

PARTICULARS	As at	
	31-03-2021	31-03-2020
	Audited	Audited
Assets		
Non-Current Assets		
Property, plant and equipment	12,262	13,150
Capital work-in-progress	21	20
Investment property	358	361
Other intangible assets	1	2
Financial Assets		
Investments	-	-
Trade receivables	622	490
Other financial assets	478	504
Deferred tax assets	6,234	6,234
Other non-current assets	148	91
Total non-current assets	20,124	20,852
Current assets		
Inventories	9,156	10,771
Financial assets		
Trade receivables	7,587	8,974
Cash and cash equivalents	1,091	521
Bank balances other than above	236	187
Other financial assets	403	725
Current tax assets (net)	266	202
Other current assets	2,798	1,763
Total current assets	21,537	23,143
Total assets	41,661	43,995
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,259	1,259
Other Equity	5,282	4,609
Total Equity	6,541	5,868
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	3	5
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	1
Other Financial Liabilities	212	222
Provisions	165	145
Employee Benefit Obligations	394	387
Other non-current liabilities	-	-
Total non-current liabilities	775	760
Current liabilities		
Financial liabilities		
Borrowings	18,330	19,821
Trade payables	-	-
A Total outstanding dues of Micro Enterprises and Small Enterprises	212	31
B Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,831	6,494
Other financial liabilities	5,625	5,748
Provisions	86	104
Employee Benefit Obligations	87	99
Current Tax Liabilities	558	943
Other current liabilities	2,615	4,127
Total current liabilities	34,344	37,367
Total liabilities	35,120	38,127
Total equity and liabilities	41,661	43,995

* amount is below rounding off norm adopted by the Company



JITENDR
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Chartered Accountants
101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

McNally Sayaji Engineering Limited

Consolidated Statement of Cash Flows for the year ended 31st March, 2021

Rupees in Lakhs

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Cash flow from Operating Activities		
Profit/(Loss) before Tax	656	(677)
Adjustments for :-		
Depreciation on Tangible Assets	951	806
Interest Income	(24)	(96)
Finance Costs	389	773
Provision for Bad and Doubtful Trade Receivables	151	329
Bad Debts Written off	-	1
Advance Written off	-	27
Liabilities No Longer Required Written Back	(99)	(386)
Provision No Longer Required Written Back	(26)	-
Provision for Warranty	4	17
Net Exchange Differences	3	5
	-	(6)
Interest Income on unwinding on revenue deferred and Retention Income		
Cash flow from Operating Activities before change in Operating Assets and Liabilities	2,005	793
Decrease / (Increase) in Trade and Other Receivables	495	618
Decrease / (Increase) in Inventories	1,615	11
Increase / (Decrease) in Trade and Other Payables	(1,484)	(192)
Increase / (Decrease) in employee benefit obligations	12	(276)
Cash generated from operations	2,643	954
Income Taxes paid	(64)	221
Net Cash Inflow from Operating Activities	2,579	1,175
Cash Flows from Investing Activities		
Payments for Property, Plant and Equipment	(64)	(298)
Interest Received	24	1
Fixed Deposit placed	(76)	96
Net cash inflow (outflow) from investing activities	(116)	(201)
Cash flows from financing activities		
Repayment of Borrowings	129	(165)
Interest paid	(389)	(779)
Net increase in Cash Credit Facilities including WCDL	(1,633)	(67)
Net cash inflow (outflow) from financing activities	(1,893)	(1,011)
Net increase (decrease) in Cash and Cash Equivalents	570	(37)
Cash and Cash Equivalents at Opening of the period	521	559
Cash and Cash Equivalents at End of the period	1,091	521
<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	31st Mar 21	31st Mar 20
Cash and Cash Equivalents	1,091	521
Balances per Statement of Cash Flows	1,091	521

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

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



JITENDR
A LOHIA

Chartered Accountant
10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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McNally Sayaji Engineering Limited

Notes to the Statement of Consolidated Audited Financial Results for the quarter and year ended 31st March, 2021

1. Pursuant to the application being CP No.131/KB/2020 filed by one Financial Creditor under section 7 of Insolvency and Bankruptcy Act, 2016, the NCLT Court, Kolkata Bench, while disposing of the matter vide its order dated 11th February, 2021 admitted the application and gave direction to initiate Corporate Insolvency Resolution Process (CIRP) against the Holding Company. CA Jitendra Lohia, registered with the Insolvency and Bankruptcy Board of India under Registration No. IBBI/IPA-001/IP-P00170/2017-19/10339 has been appointed as the Interim Resolution Professional ('IRP') for the Holding Company. The said order of 11th February, 2021 passed by the NCLT Court, Kolkata Bench, has been challenged before the NCLAT, New Delhi vide CA(AT) (Insolvency) No. 147 of 2021. While, stay has been granted by the Hon'ble NCLAT, New Delhi on constitution of Committee of Creditors, the IRP has been directed to ensure that the Holding Company remains a going concern. The application is pending for disposal before the Hon'ble NCLAT, New Delhi.
2. The above results have been reviewed and recommended by the Board of Directors (suspended) as well as IRP at their meeting held on 29th June, 2021.
3. The above consolidated includes unaudited financial results of subsidiary company namely **MBE Coal & Mineral Technology India Pvt Ltd** have been not reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. 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".
5. The World Health Organization (WHO) declared outbreak of COVID-19, as a global pandemic and as a consequence, Government of India (GOI) as well as State Governments imposed various restrictions and protocols for compliances time to time. The COVID-19 has significantly impacted overall business operations globally, the Group being no exception through interruption in the project activities, supply chain disruption, limited availability of human resource etc. However, post lockdown, gradually, the operations having resumed gradually in a phased manner following directives from the GOI as well as respective State Governments, the business of the Group is regaining normalcy in terms of volume as well as cash flow. The Group has evaluated its liquidity position, recoverability and carrying value of its assets and concluded that no material adjustments are required currently at this stage.
6. The Holding Company's financial performance was 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



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and various other stakeholders. After receiving a positive report under TEV study and RP4 rating by Independent Rating Agency the proposal towards resolution plan of debt restructuring has been under active consideration of the lenders. In the meantime, pursuant to the order passed by the NCLT Court, Kolkata Bench, CIRP has been initiated against the Holding Company, as stated in para (1) above. However, in view of the direction of NCLAT, New Delhi, as mentioned in para (1) above, the Consolidated Financial Results have been prepared using the going concern basis of accounting.

7. The Holding Company has been categorised as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks stopped charging interest on credit facility availed by the Holding Company. The Holding Company has not recognised interest expense Rs. 4069 Lakhs on bank borrowings and Rs. 629 Lakhs on Inter-Corporate borrowings for the period ended 31st March, 2021 (including Rs.1656 lakhs and Rs.154 lakhs interest expenses on Bank borrowings and Inter-Corporate borrowings respectively for the quarter ended 31st March, 2021). Further in previous year, Interest expense not recognised by the Holding Company on bank borrowings and inter-corporate borrowings for the year ended 31st March, 2020 was Rs. 2,678 Lakhs and Rs. 631 Lakhs respectively.
8. The Group had recognised Deferred Tax Assets of Rs. 6,234 lakhs upto 31st March, 2019. Under the present circumstances, as stated in para (5) above, The Group had not recognised Deferred Tax Assets thereafter on a conservative approach.
9. On commencement of CIRP, as per the advice of IRP, complete evaluation of the non-moving and slow-moving inventories of the Holding Company has been initiated, in view of some items in Work-in-Progress found non-moving since long, over the years. Necessary disclosures will be made in the Financial Statements for subsequent periods, on completion of the said exercise.

However, preliminary evaluation also resulted in identification of certain inventories of the Holding Company which requires reconciliation. Pending complete comprehensive evaluation and reconciliation, no provision has been taken in the financial statements including Rs. 875 Lakhs on such account of shortfall in the value of Inventories (including Work-in-Progress).

10. In earlier years, the Holding 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. 472 lakhs as at 31st March, 2021. The Auditors of McNally Bharat Engineering Company Limited expressed material uncertainty towards its



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going concern which is undergoing a debt restructuring plan. However, no provision has been considered in the financial results of the Group.

11. Term Loan facilities granted to the Holding Company by ICICI Bank Limited are secured, including against pledge over 23,37,211 numbers equity shares of the Holding Company held by McNally Bharat Engineering Company Limited. The said pledge created over 23,37,211 equity shares of the Holding Company has been invoked by ICICI Bank Limited and a sum of Re.1.0 has been adjusted towards the over-dues under the facilities availed by the Holding Company from ICICI Bank Limited. In view of impairment in the investment value in the books of McNally Bharat Engineering Company Limited, a claim of Rs. 4079 lakhs has been lodged against the Holding Company. Pending decision with regard to acknowledgement of the said claim of McNally Bharat Engineering Company Limited vis-à-vis the present status under CIRP of the Holding Company as mentioned in para (1) above, no provision has been considered in the financial results of the Group.
12. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

(Jitendra Lohia)
Interim Resolution Professional

Aseem Srivastav
Whole Time Director (Suspended)

Place : Kolkata
Dated: 30th June, 2021



**JITENDR
A LOHIA**

**ASEEM
KRISHANMOH
AN
SRIVASTAV**

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

**The Resolution Professional of
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 31st March, 2021, 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 19th 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 unaudited financial 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 31st March, 2021.



Basis for Adverse Opinion

Non-Recognition of Interest Expense

The Holding Company has not recognized interest expense on Bank borrowings amounting to Rs.4069 Lakhs (including Rs.1656 Lakhs for the quarter ended) and Rs. 629 Lakhs (including Rs. 154 Lakhs for the quarter ended) on Inter-Corporate Borrowings for the financial year ended 31st March, 2021 as referred in Note 7 of the Statement. As a result, finance Costs, liability on account of interest are understated and total comprehensive profit for the financial year ended 31st March, 2021 are overstated 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) We draw attention to Note 1 to the Consolidated financial results wherein it has been informed that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company vide an order dated 11th February 2021. Pursuant to this order, the powers of the Board of Directors were suspended and excisable by the Mr. Jitendra Lohia. The order has been challenged before the NCLAT, New Delhi vide CA(AT) (Insolvency) No. 147 of 2021. While, stay has been granted by the Hon'ble NCLAT, New Delhi on constitution of Committee of Creditors, the IRP has been directed to ensure that the Company remains a going concern. The application is pending for disposal before the Hon'ble NCLAT, New Delhi.

b) Material uncertainty related to Going Concern

We draw attention to Note 6 to the Statement that although the Group has disclosed a net profit of Rs. 981 Lakhs during the financial year ended 31st March, 2021 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 management's assessment of the successful outcome of the restructuring proposal, this Statement has been prepared as going concern basis.



c) 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.

d) Recognition of Deferred Tax Assets

We draw attention to Note 8 of the Statement stating that the Group had recognised deferred tax assets of Rs. 5,397 Lakhs upto 31st 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 recognized deferred tax assets for the year as well as for the preceding year on prudent basis.

e) Corporate Guarantee issued by the Holding Company

We draw attention to Note 10 of the Statement regarding corporate guarantee issued by the Holding 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. 472 Lakhs as on 31st March, 2021. The Review Report of the Holding Company 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 31st March, 2020.

f) Non -adjustment of the carrying value of the Stock

We draw attention to Note 9 to the statement regarding Inventories physically verified during the year by management and the discrepancies observed are yet to be adjusted, As a result closing stock of work in process is overstated by Rs 875 Lakhs and total comprehensive profit for the financial year ended 31st March, 2021 are overstated to that extent.

g) Non-adjustment of the carrying value of the loan

We draw attention to Note 11 to the Statement regarding invocation of pledge over 2337211 Equity Share of the Holding company held by Parent Company, McNally Bharat Engineering Company Limited by the lender Bank i.e ICICI Bank Limited as per their letter dated 27th November 2020 at a value of Re 1 /- against the Term Loan facility availed by the Holding company .The Holding Company has objected to such invocation by the Bank vide its letter dated 15th December 2020 and not made any adjustment to the carrying value of the Term Loan availed by the company

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 by the Board of Directors/IRP and approved in their meeting has been prepared on the basis of the related annual Consolidated Financial Statements of the Company. The Holding Company's management 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 management 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 management 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 management'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 unaudited Financial Results of one Subsidiary whose Financial Results reflect Group's share of total assets of Rs.5902 Lakhs as at 31st March, 2021, Group's share of total revenue of Rs.2078 Lakhs for the financial year ended 31st March, 2021, Group's share of net loss of Rs.308 Lakhs for the financial year ended 31st March, 2021, 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 include the results for the quarter ended 31st March, 2021 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



(V. K. SINGHI)
Partner

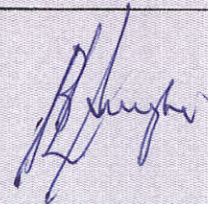
Membership No.: 050051
UDIN: 21050051AAAAGK1799

Place: Kolkata
Date: 30-06-2021

McNally Sayaji Engineering Limited

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

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

Sl. No.	Particulars	Audited Consolidated Figures (as reported before adjusting for qualifications) (Rs in lakhs)	Adjusted Consolidated Figures (audited figures after adjusting for qualifications) (Rs in lakhs)
1	Total income	18,274	18,274
2	Total Expenditure	17,617	22,315
3	Net Profit/(Loss)	657	(4,041)
4	Earnings Per Share (In Rupees)	5.22	(32.10)
5	Total Assets	41,661	41,661
6	Total Liabilities	35,120	43,127
7	Net Worth	6,541	-1,466
8	Any other financial item(s) (as felt appropriate by the management)	-	-
II Audit Qualification (each audit qualification separately):			
a. Details of Audit Qualification:		The Holding Company has not recognised interest on Bank borrowings amounting to Rs. 4069 laks and Rs. 629 Lakhs on Inter-Corporate Borrowings for the financial year ended 31st March, 2021 as referred in Note 7 of the Statement. As a result, finance Costs, liability on account of interest are overstated and total comprehensive profit is overstated for the financial year ended 31st March, 2021 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		Adverse Opinion	
c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		Since Financial Year 2019-20	
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 have stopped charging interest on credit facility availed by the Holding Company. The Holding Company has not recognised interest expense Rs.4069 Lakhs on Bank borrowings and Rs. 629 Lakhs on Inter-Corporate borrowings for the year ended 31st March, 2021. Further in previous year, Interest expense not recognised by the Holding Company on Bank borrowings and Inter-Corporate borrowings for the year ended 31st March, 2020 was Rs. 2678 Lakhs and Rs. 631 Lakhs respectively.	
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	
Signatories:			
III	• Interim Resolution Professional	<p align="center">JITENDR A LOHIA</p> <small>Chartered Accountant Firm's Registration No. 311017E (V.K. SINGHI) Partner Membership No. 050051</small>	
	• Whole Time Director (Suspended)	<p align="center">ASEEM KRISHANMOHAN SRIVASTAV</p> <small>Chartered Accountant Firm's Registration No. 311017E (V.K. SINGHI) Partner Membership No. 050051</small>	
	• CFO	<p align="center">PURAJIT ROY</p> <small>Chartered Accountant Firm's Registration No. 311017E (V.K. SINGHI) Partner Membership No. 050051</small>	
	• Statutory Auditor For V. SINGHI & ASSOCIATES Chartered Accountants Firm's Registration No. 311017E (V.K. SINGHI) Partner Membership No. 050051		
Place: Kolkata			
Date: June 30, 2021			

