

MCNALLY SAYAJI ENGINEERING LIMITED						
CIN: L28999WB1943PLC133247, Web - Site : www.mcnallysayaji.com						
Regd. Office- Ecospace, Campus 2B, 11E/12, Rajarhat, New Town, Kolkata, West Bengal - 700156 Phone No : 913330142280						
Statement of Unaudited Standalone Financial Results For the Quarter and Nine Months Ended 31st December, 2022						
PARTICULARS	Rupees in Lakhs					
	Quarter Ended			Nine Month Ended		Year Ended
	31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue From Operations	4,214	4,089	3,640	12,261	10,636	15,734
(b) Other Income	27	64	3	151	79	352
Total Income	4,241	4,153	3,643	12,412	10,715	16,086
2 Expenses						
a) Cost of Materials Consumed	2,780	1,962	1,837	7,141	4,970	8,716
b) Changes in Inventories of Work-in-Progress and Finished Goods	(489)	432	(8)	(206)	397	(208)
c) Employee Benefits Expense	620	653	582	1,902	1,806	2,440
d) Finance Costs	15	27	10	66	48	117
e) Depreciation and Amortisation Expense	177	158	164	493	487	653
f) Other Expenses	862	1,001	1,006	2,864	2,656	5,439
Total Expenses (a to f)	3,965	4,233	3,591	12,260	10,364	17,156
3 Profit/(Loss) before Tax and Exceptional Items (1 - 2)	276	(80)	52	152	351	(1,071)
Exceptional Items	--	--	--	--	--	3,075
Profit/(Loss) before Tax	276	(80)	52	152	351	(4,146)
4 Tax Expenses						
Tax Earlier Year	--	--	--	--	--	(22)
5 Profit/(Loss) for the period/year (3 - 4)	276	(80)	52	152	351	(4,124)
6 Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
a) Remeasurements of Post-Employment Benefit Obligations	2	3	--	7	1	10
b) Income tax relating to these items	--	--	--	--	--	--
Total Other Comprehensive Income	2	3	--	7	1	10
7 Total Comprehensive Income for the period /Year (5 + 6)	278	(77)	52	159	352	(4,114)
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 Other Equity (Excluding Revaluation Reserve)						3,907
10 Earning Per Share						
Basic and Diluted	2.19	(0.63)	0.41	1.21	2.79	(32.76)

Also refer to the accompanying notes

PURAJI
T ROY

Purajit Roy
Chief Financial Officer

JITENDR
A LOHIA

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Place : Kolkata
Date : 10th February, 2023



McNally Sayaji Engineering Limited

Notes to the Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December, 2022

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one Financial Creditor, being CP No.131/KB/2020, the NCLT Court, Kolkata Bench, while disposing off, admitted the application vide order dated 11th February, 2021 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Jitendra Lohia (IBBI/IPA/P00170/2017-18/10339) was initially appointed as the Interim Resolution Professional in the said matter. Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was also preferred against the said order passed by the Hon'ble NCLT, Kolkata bench. In accordance with the order of the NCLAT on this appeal, a stay on the constitution of Committee of Creditors ("CoC") was imposed till final order in this matter. The Hon'ble NCLAT finally vide it's order dated 29th November, 2021 disposed off the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which held it's first meeting on 14th December, 2021. At the e-voting for the First Meeting of CoC all the resolutions including appointment of CA Jitendra Lohia as Resolution Professional (RP) by requisite majority was approved.

The Resolution Plan of one of the Resolution Applicants has received the approval of CoC by requisite majority, in terms of the Insolvency and Bankruptcy Code, 2016 and CoC authorised the RP to issue the Letter of Intent in terms of the Request For Resolution Plan and thereafter submit the application before the Hon'ble NCLT Court for final approval of the Resolution Plan. The application has since been submitted before the Hon'ble NCLT Court.

In view of the above, the standalone financial results have been prepared on going concern basis.

2. The above results have been reviewed and recommended by the Board of Directors (suspended) as well as RP at the management meeting held on 10th February, 2023.
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".

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5. The Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on their debts. The Company has not recognised interest expense on Bank borrowings and on Inter-Corporate Borrowings since the financial year ended 31st March, 2020 and till end of financial year ended 31st March 2021, the said interest expenses not recognised had been Rs. 6747 Lakhs and Rs. 1260 Lakhs on Bank Borrowings and Inter-Corporate Borrowings respectively. The CIRP has since been initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks. No further estimates of interest expenses on Bank Borrowings and on Inter-Corporate Borrowings have been made from FY 2021-22 and in the process based on the claims submitted by the lender banks, the claims admitted by the Resolution Professional, uploaded in the Company's website are Rs.23,226 lakhs in aggregate [excluding admitted claims of the financial creditors (a) relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Company had issued a corporate guarantee and created exclusive first charge of fixed assets at Kumardhubi Unit-1 and (b) claims of the related parties and Rs.63 lakhs against Inter-Corporate Borrowing claims].
6. Due to economic downturn with the outbreak of COVID-19 pandemic, the net worth of the wholly owned subsidiary, MBE Coal & Mineral Technology India Private Limited has been fully eroded resulting in consequential impairment in the investment of the Company to be lower than the cost as on the date of the Financial Results under review. However, in view of established brand value of its products and potential business prospects of the subsidiary as well as the company undergoing CIRP under the Insolvency and Bankruptcy Code, 2016 the impairment to the investment in the subsidiary has not been recognised in the Financial Results of the Company.
7. The Company had recognised Deferred Tax Assets amounting to Rs. 5,397 lakhs upto 31st March, 2019. Under the present circumstances, as stated in para (1) above, Company had not recognised Deferred Tax Assets thereafter taking a conservative approach.
8. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

Place : Kolkata
Dated: 10th February, 2023

PURAJIT
ROY
(Purajit Roy)
Chief Financial Officer

JITENDR
A LOHIA
(Jitendra Lohia)
Resolution Professional



V. SINGHI & ASSOCIATES

Chartered Accountants

Four Mangoe Lane

Surendra Mohan Ghosh Sarani,

Ground Floor, Kolkata – 700 001

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Independent Auditor's Report on Limited Review of the Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31st December, 2022 of McNally Sayaji Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing and Obligations Disclosure Requirements) Regulations, 2015, as amended

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



1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **MCNALLY SAYAJI ENGINEERING LIMITED** ("the Company") for the quarter and nine months ended 31st December, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (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").
2. This Statement, which is the responsibility of the Company's Management and approved by the Resolution Professional, has been prepared 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 from 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. 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), 2015, as amended, to the extent applicable.



5. Basis for Adverse Conclusion

a. Non-Recognition of Interest Expense

The Company has not recognised interest expense on Bank borrowings amounting to Rs. 14,430 Lakhs and on Inter corporate Borrowings amounting to Rs. 2,355 Lakhs upto 31st December, 2022 out of which interest expense amounting to Rs. 4,137 Lakhs on bank borrowings and Rs 471 Lakhs on Inter Corporate Borrowings pertains to the nine months period from 1st April, 2022 till 31st December, 2022. As a result, finance costs is understated and total comprehensive income is overstated to that extent till 31st December, 2022.

The CIRP Process was initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks.

We draw attention to Note 5 to the Statement that the claims admitted by the Resolution Professional, uploaded in the Company's website are Rs. 23,226 lakhs in aggregate (excluding admitted claims of the financial creditors relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Company had issued a corporate guarantee and created exclusive first charge on the fixed assets of Kumardhubi Unit-1, claims of the related parties and Rs. 63 lakhs against Inter-Corporate Borrowing claims).

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

b. Impairment in the value of Investment

We draw attention to Note 6 to the Statement regarding the wholly owned subsidiary namely "MBE COAL & MINERAL TECHNOLOGY INDIA PVT. LTD." whose net worth has been fully eroded resulting in consequential impairment in the value of investment of the Company as on the date of the Financial Results under review. However, in view of established brand value of its products and potential business prospects of the subsidiary as well as the company undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, the impairment to the investment by the company has not been recognized in the Financial results of the Company.

This constitutes a material departure from the requirements of Indian Accounting Standard 36 "Impairment of Assets".

c. We further draw attention to Note No. 1 to the Statement regarding approval of the Resolution Plan by the Committee of Creditors by requisite majority, but we have not been provided by the management the minutes of the Committee of Creditors meetings to know its requisite outcomes.

6. Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 5 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 and that it contains material misstatement.



7. Emphasis of Matters

a. Material Uncertainty related to Going Concern

We draw attention to the statement that the Company has reported net profit for the period of Rs. 276 Lakhs (before comprehensive income) and Rs. 152 Lakhs (before comprehensive income) during the quarter and nine months ended 31st December, 2022 respectively. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers and submission of viable resolution plan by the prospective investor. 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.

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 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 resolution plan. However, the Company has not recognised further deferred tax assets thereafter on prudent basis.

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

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



A handwritten signature in blue ink, appearing to read 'D. Pal Choudhury'.

(D. Pal Choudhury)
Partner
Membership No. 016830

Place: Kolkata
Date: 10th February, 2023
UDIN: 23016830BGVZSB3770

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

Regd. Office- Ecospace, Campus 2B, 11E/12, Rajarhat, New Town, Kolkata, West Bengal - 700156 Phone No : 913330142280

Statement of Unaudited Consolidated Financial Results For the Quarter and Nine Months Ended 31st December, 2022

PARTICULARS	Rupees in Lakhs					
	Quarter Ended			Nine Month Ended		Year Ended
	31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 (a) Revenue from Operations	4,346	4,216	4,188	12,637	11,816	17,221
(b) Other Income	29	70	3	159	80	895
Total Income	4,375	4,286	4,191	12,796	11,896	18,116
2 Expenses						
a) Cost of Materials Consumed	2,799	1,990	2,084	7,196	5,601	9,481
b) Changes in Inventories of Work-in-Progress and Finished Goods	(489)	432	(8)	(206)	397	(208)
c) Employee Benefits Expense	666	703	662	2,061	2,080	2,776
d) Finance Costs	84	93	88	262	284	432
e) Depreciation and Amortisation Expense	179	160	166	499	494	662
f) Other Expenses	970	1,089	1,243	3,144	3,062	6,262
Total expenses (a to f)	4,209	4,467	4,235	12,956	11,918	19,406
3 Profit/(Loss) before tax and exceptional items (1-2)	166	(180)	(44)	(160)	(22)	(1,290)
Exceptional Items	--	--	--	--	--	3,075
Profit/(Loss) before Tax	166	(180)	(44)	(160)	(22)	(4,365)
4 Tax expense						
Tax Earlier Year	--	--	--	--	--	(22)
5 Profit / (Loss) for the period/year (3 - 4)	166	(180)	(44)	(160)	(22)	(4,343)
6 Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
a) Remeasurements of post-employment benefit obligations	8	9	--	26	1	35
b) Income tax relating to these items	--	--	--	--	--	--
Total Other Comprehensive Income, net of income tax	8	9	--	26	1	35
7 Total Comprehensive Income for the period (5 + 6)	174	(172)	(44)	(134)	(21)	(4,308)
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 Other Equity(Excluding Revaluation Reserve)						1,006
10 Earning/(Loss) Per Share (of Rs 10/- each) (not annualised)						
Basic and Diluted	1.32	(1.43)	(0.35)	(1.27)	(0.18)	(34.50)

Also refer to the accompanying notes

**PURAJI
T ROY**

Purajit Roy
Chief Financial Officer

**JITENDR
A LOHIA**

CA Jitendra Lohia
Resolution Professional
(IBBI/PA/P00170/2017-18/10339)

Place : Kolkata

Date : 10th February, 2023



McNally Sayaji Engineering Limited

Notes to the Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December, 2022

1. Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one Financial Creditor, being CP No.131/KB/2020, the NCLT Court, Kolkata Bench, while disposing off, admitted the application vide order dated 11th February, 2021 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Holding Company. CA Jitendra Lohia (IBBI/IPA/P00170/2017-18/10339) was initially appointed as the Interim Resolution Professional in the said matter. Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was also preferred against the said order passed by the Hon'ble NCLT, Kolkata bench. In accordance with the order of the NCLAT on this appeal, a stay on the constitution of Committee of Creditors ("CoC") was imposed till final order in this matter. The Hon'ble NCLAT finally vide it's order dated 29th November, 2021 disposed off the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which held it's first meeting on 14th December, 2021. At the e-voting for the First Meeting of CoC all the resolutions including appointment of CA Jitendra Lohia as Resolution Professional (RP) by requisite majority was approved.

The Resolution Plan of one of the Resolution Applicants has received the approval of CoC by requisite majority, in terms of the Insolvency and Bankruptcy Code, 2016 and CoC authorised the RP to issue the Letter of Intent in terms of the Request For Resolution Plan and thereafter submit the application before the Hon'ble NCLT Court for final approval of the Resolution Plan. The application has since been submitted before the Hon'ble NCLT Court.

In view of the above, the consolidated financial results have been prepared on going concern basis.

2. The above results have been reviewed and recommended by the Board of Directors (suspended) as well as RP at the management meeting held on 10th February, 2023.
3. The above results, except the Financial Results of Subsidiary Company, MBE Coal & Mineral Technology India Private Limited, have been 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



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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 Holding Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on their debts. The Holding Company has not recognised interest expense on Bank borrowings and on Inter-Corporate Borrowings since the financial year ended 31st March, 2020 and till end of financial year ended 31st March 2021, the said interest expenses not recognised had been Rs. 6747 Lakhs and Rs. 1260 Lakhs on Bank Borrowings and Inter-Corporate Borrowings respectively. The CIRP has since been initiated against the Holding Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks. No further estimates of interest expenses on Bank Borrowings and on Inter-Corporate Borrowings have been made from FY 2021-22 and in the process based on the claims submitted by the lender banks, the claims admitted by the Resolution Professional, uploaded in the Holding Company's website are Rs.23,226 lakhs in aggregate [excluding admitted claims of the financial creditors (a) relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Holding Company had issued a corporate guarantee and created exclusive first charge of fixed assets at Kumardhubi Unit-1 and (b) claims of the related parties and Rs.63 lakhs against Inter-Corporate Borrowing claims].
6. The Subsidiary Company has also been categorized as Non-Performing Asset by both the lender banks ICICI Bank Ltd & Kotak Mahindra Bank Ltd as on date.
7. The Group had recognised Deferred Tax Assets amounting to Rs. 6,234 lakhs upto 31st March, 2019. Under the present circumstances, as stated in para (1) above, Group had not recognised Deferred Tax Assets thereafter taking a conservative approach.
8. Figures for the previous quarters/periods have been regrouped/ rearranged wherever considered necessary.

PURAJIT
ROY

(Purajit Roy)
Chief Financial Officer

JITENDRA
LOHIA

(Jitendra Lohia)
Resolution Professional

Place : Kolkata
Dated: 10th February, 2023



V. SINGHI & ASSOCIATES

Chartered Accountants

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Independent Auditor's Report on the Limited Review of the Unaudited Consolidated Financial Results for the Quarter and Nine Months ended 31st December, 2022 of McNally Sayaji Engineering Limited pursuant to the Regulation 33 of the SEBI (Listing and Obligations Disclosure Requirements) Regulations, 2015, as amended

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



1. We have reviewed the accompanying Statement of Unaudited Consolidated 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 31st December, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (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").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Resolution Professional, has been prepared 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 from material misstatement. A review is limited primarily to enquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. 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.



5. Basis for Adverse Conclusion

a. Non-Recognition of Interest Expense

The Holding Company has not recognised interest expense on Bank borrowings amounting to Rs.14,430 Lakhs and on Inter Corporate Borrowings amounting to Rs. 2,355 Lakhs upto 31st December, 2022 out of which interest expense amounting to Rs 4,137 Lakhs on bank borrowings and Rs 471 Lakhs on Inter Corporate Borrowings pertains to the nine months period from 1st April, 2022 till 31st December, 2022. As a result, finance costs is understated and total comprehensive income is overstated to that extent till 31st December, 2022.

The CIRP Process was initiated against the Holding Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks and in the process based on the claims submitted by the lender banks.

We draw attention to Note 5 to the Statement that the claims admitted by the Resolution Professional, uploaded on the Holding Company's website of Rs.23,226 lakhs in aggregate (excluding admitted claims of the financial creditors relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Company had issued a corporate guarantee and created exclusive first charge on the fixed assets of Kumardhubi Unit-1, claims of the related parties and Rs.63 lakhs against Inter-Corporate Borrowing claims).

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

b. We further draw attention to Note No. 1 to the Statement, regarding approval of the Resolution Plan by the Committee of Creditors by requisite majority, but we have not been provided by the management, minutes of the Committee of Creditors meetings to know its requisite outcomes.

- 6.** Based on our review conducted as stated in Paragraph 3 above, and for reasons stated in Paragraph 5 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, and that it contains material misstatement.

7. Emphasis of Matters

a. Material uncertainty related to Going Concern

We draw attention to the Statement that the Group has reported net profit for the period of Rs. 166 Lakhs (before comprehensive income) during the quarter ended 31st December, 2022 and net loss of Rs.160 Lakhs (before comprehensive income) for nine months ended 31st December, 2022. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers and submission of viable resolution plan by the prospective investor. 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.



b. Recognition of Deferred Tax Assets

We draw attention to Note 7 to the Statement that the Group had recognised deferred tax assets of Rs. 6,234 Lakhs upto 31st 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 resolution plan. However, the Group has not recognised further deferred tax assets thereafter on prudent basis.

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

8. Other Matter

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

We have not reviewed the financial information of one subsidiary included in the Statement whose financial information, reflect total revenue of Rs. 150.98 Lakhs and Rs.417.54 Lakhs for the quarter ended and nine months ended 31st December, 2022 respectively and total comprehensive loss of Rs. 101.72 Lakhs and Rs 292.48 Lakhs for the quarter ended and nine months ended 31st December, 2022 respectively as considered in the statement. These Financial results/information are certified by the management.

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

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



(D.Pal Choudhury)
Partner
Membership No. 016830

Place: Kolkata
Date: 10th February, 2023
UDIN: 23016830BGVZSC9038