

**McNALLY BHARAT ENGINEERING COMPANY LIMITED**  
 Regd. Office: 4 MANGOE LANE, Kolkata 700 001  
 Web: www.mcnallybharat.com, Email id: mbeCAL@mbecl.co.in, Phone no: (033) 6628-1111  
 CIN: L45202WB1961PLC025181  
 Statement of Consolidated Audited Results for the Quarter and 12 months ended 31st March, 2016

**PART I**

(All figures in Rs. Lacs, unless otherwise stated)

| No.       | Particulars<br>(Refer Notes Below)   | Year to date figures for       | Previous year       |
|-----------|--|--------------------------------|---------------------|
|           |  | current year<br>ended 31/03/16 | ended<br>31-03-2015 |
|           |  | Audited                        | Audited             |
| <b>1</b>  | <b>Income from operations</b>  |                                |                     |
| a         | Net Sales/ Income from operations (Net of Excise Duty)   | 2,62,784                       | 2,41,799            |
| b         | Other operating Income   | 613                            | 1,174               |
|           | <b>Total income from operations (net)</b>  | <b>2,63,397</b>                | <b>2,42,973</b>     |
| <b>2</b>  | <b>Expenses</b>  |                                |                     |
| a         | Cost of materials consumed   | 95,072                         | 99,596              |
| b         | Purchase of traded goods   | 57,142                         | 21,880              |
| c         | Changes in inventories of finished goods work-in-progress and Stock-in-Trade   | (1,004)                        | 358                 |
| d         | Outsourcing expenses to outsiders for job work   | 61,908                         | 60,526              |
| e         | Employee benefit expenses  | 15,058                         | 18,482              |
| f         | Depreciation and amortisation expenses   | 3,845                          | 4,621               |
| g         | Other expenses   | 35,133                         | 35,976              |
|           | <b>Total expenses</b>  | <b>2,67,154</b>                | <b>2,41,439</b>     |
| <b>3</b>  | <b>Profit/(Loss) from Operations before other income, finance cost, provision for onerous contracts and exceptional items (1-2)</b>      | <b>(3,757)</b>                 | <b>1,534</b>        |
| <b>4</b>  | <b>Other Income</b>  | <b>3,249</b>                   | <b>10,107</b>       |
| <b>5</b>  | <b>Profit/(Loss) from ordinary activities before finance costs, provision for onerous contracts and exceptional Items (3+4)</b>          | <b>(508)</b>                   | <b>11,641</b>       |
| <b>6</b>  | <b>Finance costs</b>   | <b>34,729</b>                  | <b>25,493</b>       |
| <b>7</b>  | <b>Profit/(Loss) from ordinary activities after finance costs but before provision for onerous contracts and exceptional Items (5-6)</b> | <b>(35,237)</b>                | <b>(13,852)</b>     |
| <b>8</b>  | <b>Provision for onerous contracts</b>   |                                |                     |
| <b>9</b>  | <b>Profit/(Loss) from ordinary activities after provision for onerous contracts but before exceptional Items (7-8)</b>                   |                                | <b>(13,852)</b>     |
| <b>10</b> | <b>Provision for Onerous Contracts written back</b>  | <b>1,400</b>                   | <b>6,100</b>        |
| <b>11</b> | <b>Profit/(Loss) from ordinary activities after provision for onerous contracts written back but before exceptional items (9+10)</b>     | <b>(33,837)</b>                | <b>(7,752)</b>      |
| <b>12</b> | <b>Exceptional Items</b>   |                                |                     |
| <b>13</b> | <b>Profit/(Loss) from ordinary activities before tax (11+12)</b>   | <b>(33,837)</b>                | <b>(7,752)</b>      |
| <b>14</b> | <b>Tax expense</b>   | <b>170</b>                     | <b>367</b>          |
| <b>15</b> | <b>Net Profit/(Loss) from ordinary activities after tax (13-14)</b>  | <b>(34,007)</b>                | <b>(8,119)</b>      |
| <b>16</b> | <b>Extraordinary items</b>   |                                |                     |
| <b>17</b> | <b>Net Profit/(Loss) for the period (15-16)</b>  | <b>(34,007)</b>                | <b>(8,119)</b>      |
| <b>18</b> | <b>Minority Interest</b>   | <b>(427)</b>                   | <b>(714)</b>        |
| <b>19</b> | <b>Share of Profit/(Loss) of Associate</b>   | <b>(64)</b>                    | <b>(23)</b>         |
| <b>20</b> | <b>Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (17-18+19)</b>                              | <b>(33,644)</b>                | <b>(7,428)</b>      |
| <b>21</b> | <b>Paid up Equity share Capital<br/>(Face value of the share Rs. 10)</b>   | <b>5,109</b>                   | <b>4,059</b>        |
| <b>22</b> | <b>Reserves excluding Revaluation Reserve as per<br/>Balance Sheet of previous accounting year</b>                                       | <b>5,891</b>                   | <b>30,236</b>       |
| <b>23</b> | <b>Earning per Share (before and after extraordinary items)</b>  |                                |                     |
|           | Basic EPS (Rs.)  | (73.66)                        | (23.83)             |
|           | Diluted EPS (Rs.)  | (73.66)                        | (23.80)             |
|           | See accompanying note to the financial results   |                                |                     |

**Statement of Segment Revenue, Results and Capital Employed**

(All figures in Rs. Lacs, unless otherwise stated)

| Sl. No.  | Particulars  | As at                   | As at                   |
|----------|--|-------------------------|-------------------------|
|          |  | 31/03/2016<br>(Audited) | 31/03/2015<br>(Audited) |
| <b>1</b> | <b>Segment Revenue</b>                                       |                         |                         |
|          | (a) Construction Contracts                                   | 185768                  | 1,95,608                |
|          | (b) Trading  | 55935                   | 21,403                  |
|          | (c) Others   | 21694                   | 25,962                  |
|          | <b>Net Sales/ Income from operations</b>                     | <b>2,63,397</b>         | <b>2,42,973</b>         |
| <b>2</b> | <b>Segment Results Profit/(Loss) before tax and interest</b> |                         |                         |
|          | (a) Construction Contracts                                   | 698                     | 11354                   |
|          | (b) Trading  | (107)                   | (76)                    |
|          | (c) Others   | (479)                   | 6644                    |
|          | Less: (i) Interest & other borrowing cost                    | 34729                   | 25494                   |
|          | Other unallocated income (Net off expenditure)               | 780                     | (180)                   |
|          | <b>Profit/(Loss) Before Tax</b>                              | <b>(33,837)</b>         | <b>(7,752)</b>          |
| <b>3</b> | <b>Capital Employed</b>                                      |                         |                         |
|          | (Segment Assets - Segment Liabilities)                       |                         |                         |
|          | (a) Construction Contracts                                   | 255582                  | 180981                  |
|          | (b) Trading  | (24,223)                | (12,698)                |
|          | (c) Others   | 1,250                   | 4517                    |
|          | (d) Unallocated  | (2,20,009)              | (1,36,784)              |
|          | <b>Total Capital Employed</b>                                | <b>12600</b>            | <b>36016</b>            |

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Statement of Consolidated Audited Results for the Quarter and 12 months ended 31st March, 2016

Notes:-

1 Consolidated Statement of Assets and Liabilities

(All figures in Rs. Lacs, unless otherwise stated)

|   | As at<br>31/03/2016<br>(Audited) | As at<br>31/03/2015<br>(Audited) |
|---|----------------------------------|----------------------------------|
| <b>A. EQUITY AND LIABILITIES</b>          |                                  |                                  |
| <b>(1) Shareholder's Fund</b>             |                                  |                                  |
| (a) Share capital                         | 6,084                            | 5,034                            |
| (b) Reserve and surplus                   | 5,891                            | 30,232                           |
| (c) Money received against share warrants | 625                              | 750                              |
|   | 12,600                           | 36,016                           |
| <b>(2) Minority Interest</b>              | 3,750                            | 4,177                            |
| <b>(3) Non Current Liabilities</b>        |                                  |                                  |
| (a) Long term Borrowings                  | 31,198                           | 8,891                            |
| (b) Deferred Tax liabilities (net)        | -                                | -                                |
| (b ) Other long term Liabilities          | 128                              | 154                              |
| (c) Long term Provisions                  | 6,874                            | 7,335                            |
|   | 38,200                           | 16,380                           |
| <b>(4) Current Liabilities</b>            |                                  |                                  |
| (a) Short term borrowings                 | 1,89,241                         | 1,55,888                         |
| (b) Trade Payables                        | 1,28,941                         | 1,69,218                         |
| (c) Other Current Liabilities             | 1,34,824                         | 91,681                           |
| (d) Short Term Provision                  | 1,960                            | 3,363                            |
|   | 4,54,966                         | 3,60,150                         |
| <b>TOTAL</b>                              | <b>5,09,516</b>                  | <b>4,16,723</b>                  |
| <b>B. ASSETS</b>                          |                                  |                                  |
| <b>(1) Non Current Asset</b>              |                                  |                                  |
| (a) Fixed Assets                          |                                  |                                  |
| (i) Tangible Assets                       | 27,073                           | 29,809                           |
| (ii) Intangible Assets                    | 1,903                            | 1,598                            |
| (iii) Capital work in Progress            | 494                              | 904                              |
| (iv) Intangible asset under development   | -                                | -                                |
|   | 29,470                           | 32,311                           |
| (b) Non Current Investment                | 2,818                            | 2,676                            |
| (c) Deferred tax asset(net)               | 113                              | 237                              |
| (d) Long Term Loans and Advances          | 11,472                           | 6,448                            |
| (e) Other Non Current Assets              | 626                              | 632                              |
| <b>(2) Current Assets</b>                 |                                  |                                  |
| (a) Current Investments                   | -                                | -                                |
| (a) Inventories                           | 30,032                           | 26,713                           |
| (b ) Trade Receivables                    | 1,72,612                         | 1,53,558                         |
| (c) Cash and Bank Balances                | 7,017                            | 6,107                            |
| (d) Short Term Loans and Advances         | 71,213                           | 61,980                           |
| (e) Other Current Assets                  | 1,84,143                         | 1,26,061                         |
|   | 4,65,017                         | 3,74,419                         |
| <b>TOTAL</b>                              | <b>5,09,516</b>                  | <b>4,16,723</b>                  |

- The above audited results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its adjourned meeting held on 1st June, 2016.
- Deferred tax asset has been recognised to the extent of deferred tax liability.
- The Auditor has expressed qualified opinion with regard to sale transaction of one investment for EURO 14 mio. In terms of the Agreement with the buyer Notarized in Germany, the contract has been extended from time to time. The Directors firmly believe since the extension is in line with the agreement, the transaction is valid and amount fully recoverable.
- With regard to the other qualified opinion on trade receivables and other receivables which is inclusive of the EURO 14 mio referred to in para 4 of this note and which include receivables from its own subsidiary and associate companies, the Directors feel that since part of the receivable has been collected during the year, the outstanding will be collected and these companies have been allowed to pay the balance in the current year. Another receivable of USD 4.49 mio from an erstwhile subsidiary, accepted as due by the company, is legally claimable as per the agreement.
- During the year 2014-15, remuneration paid to Late Mr. Deepak Khaitan, the erstwhile Executive Chairman of the Company, was in excess of the maximum limit prescribed in Schedule V of the Companies Act, 2013. The members of the Company vide a special resolution adopted at their meeting held on 30th July, 2015, waived the recovery of such excess remuneration. The Company thereafter applied to the Central Government for approval of waiver of recovery of such Excess remuneration; the final reply for the said application is awaited.
- The Company entered into a joint venture agreement on 2nd September, 2015 with EMC Ltd in a participation ratio of 50:50 and incorporated a Limited Liability Partnership Company under the name of EMC MSE Contracting Company LLC in Oman. The Board of Directors of the Company had adopted the resolution towards formation of this joint venture company at its meeting held on 13th August, 2015. Thereafter, investment of Rs. 152.31 lacs was made in the said LLP in Oman on 11th December, 2015.
- Previous year's figures have been regrouped/rearranged wherever necessary.

Kolkata  
1st June, 2016

PRABIR GHOSH,  
WHOLE TIME DIRECTOR & GROUP CFO