

McNALLY BHARAT EQUIPMENT LIMITED
DIRECTORS' REPORT

Dear Shareholders,

Your Directors take great pleasure in presenting the Directors' Report for the year ended March 31, 2024.

Financial Highlights

There was only one project with Gujarat Mineral and Development Corporation (GMDC) in the Company during the year ended March 31, 2024. The Company's financial performance for the year ended March 31, 2024 are as under:

(Amount in Lakhs unless otherwise stated)

| Particulars | Year ended 31st March 2024 | Year ended 31st March 2023 |
|--------------------------|-------------------------------|-------------------------------|
| Revenue from Operations | 197.85 | 130.60 |
| Other Income | 0.48 | 0.16 |
| Total Income | 198.33 | 130.76 |
| Total Expenses | 189.34 | 119.70 |
| Profit Before Tax | 8.99 | 11.05 |
| Less: Current Tax | 2.33 | 2.69 |
| Less: Deferred Tax | - | - |
| MAT Credit Entitlement | - | - |
| Income Tax earlier years | - | - |
| Profit After Tax | 6.66 | 8.37 |

The financial statements of your company have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The financial statements comply in all material aspects with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts and clarifications, wherever necessary, have been included in the Notes to the Accounts section of the Annual Report.

Operations and Business Performance .

Your Directors are evaluating various operational prospects and business opportunities.

Share Capital

During the Year ended March 31, 2024, the Equity Share Capital of the Company stands at Rs. 10,00,000/- divided into 1,00,000 Equity Shares of Rs.10/- each which remains unchanged.

Dividend

Your Directors do not recommend any dividend for the financial year ended March 31, 2024 in order to conserve the profits of the Company for its long-term growth.

Transfer to Reserves

No amount has been transferred to the General Reserves of your Company at the financial year ended March 31, 2024.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors confirm as under:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Deposits

During the financial year ended March 31, 2024, your Company has not accepted any deposits from the public.

Directors and Key Managerial Personnel

Mr. Ashoke Kumar Bose our Director resigned from his post on 26th September, 2023 due to their personal commitments. Mr. Rupak Chandra joined our Company w.e.f. 26th September, 2023 as an Additional Director.

Meetings of the Board of Directors

During the year, five Board Meetings were held on May 18, 2023, August 07, 2023, September 26, 2023, October 31, 2023 and Feb 02, 2024.

Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013


The particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Notes to the Financial Statements for the year ended March 31, 2024.

Particulars of contracts or arrangements made with related parties

The particulars of Contracts or Arrangements made with related parties pursuant to Section 188(1) of the Companies Act, 2013, furnished in Form AOC -2, is attached to this report as an Annexure B.

Statutory Auditors

M/s. HARSH MITA & ASSOCIATES, Chartered Accountants (FRN: 327904E), the Statutory Auditors of the Company hold office till the conclusion of the Annual General Meeting for the year ended March 31, 2026, under the provisions of Section 139(2) of the Companies Act, 2013, subject to the ratification of the Members of the Company. Accordingly, the ratification of their appointment as the Statutory Auditors of the Company is being placed before the

Members at the Annual General Meeting.

Auditors Qualification:

| SL No. | Qualification/Remarks | Management Response |
|--------|--|---|
| 1. | <p>The Ministry of Corporate Affairs vide notification dated September 10, 2018 inserted Rule 9A in the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('PAS Rules'), mandating every unlisted public company to hold and issue securities only in dematerialised form.</p> <p>As per our Observation, the Company has defaulted in complying with this requirement.</p> | <p>By way of a notification dated (and effective from) January 22, 2019, the MCA has, amended Rule 9A by introducing a new sub-rule (11) thereunder, pursuant to which: (i) a Nidhi company; (ii) a Government company; and (iii) a wholly owned subsidiary, are exempted from the scope of Rule 9A.</p> <p>As the Company is wholly owned subsidiary of M/s. McNally Bharat Engineering Company Ltd., hence the said Rule 9A is not applicable to the Company.</p> |

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information required pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, and Rule 8(3) of the Companies (Accounts) Rules, 2014, is given as an Annexure A to this report.

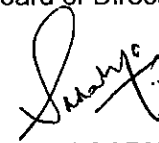
Cautionary Statement

Certain statements in the Directors' Report describing the Company's operations, objectives, projections and expectations regarding future performance may constitute 'forward looking statements' with the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied, depending on the economic conditions, Government policies and other incidental factors and developments.

Acknowledgement

Your Directors wish to place on record their appreciation of the support and co-operation received at all levels.

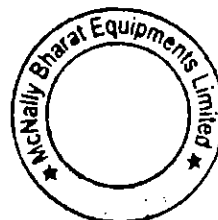
On behalf of the Board of Directors



SUKALYAN SARKAR

Director

DIN: 09584925



BISWAJIT SINHA

Director

DIN: 07529019

Kolkata, May 22, 2024

Annexure A

Information under the provisions of Companies (Accounts) Rules, 2014, forming part of the Directors' Report for the year ended March 31, 2024

A. Conservation of Energy:

- 1. Energy conservation measures taken**
None, due to lack of operations.
- 2. Additional investment and proposals for reduction of consumption of energy**
None.

B. Research and Development (R&D)

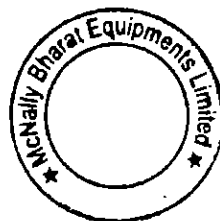
- 1. Specific areas in which R&D is carried out by the company:**
None
- 2. Benefits derived as a result of the above R&D**
N.A
- 3. Future Plan of Action:**
N.A
- 4. Expenditure on R&D:**
None

C. Technology Absorption, Adaptation and Innovation:
None

D. Foreign Exchange Earned and Used
None

On behalf of the Board of Directors


SUKALYAN SARKAR
Director
DIN: 09584925




BISWAJIT SINHA
Director
DIN: 07529019

Kolkata, May 22, 2024

Annexure B

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

During the Financial year 2023-24, the Company has not entered into any transactions with any of its Related Parties.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship
N.A

(b) Nature of contracts/arrangements/transactions
N.A

(c) Duration of the contracts / arrangements/transactions
N.A

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
N.A

(e) Date(s) of approval by the Board, if any:
Not applicable under the provisions of Section 188

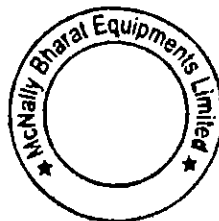
(f) Amount paid as advances, if any:
Nil

On behalf of the Board of Directors


SUKALYAN SARKAR

Director

DIN: 09584925




BISWAJIT SINHA

Director

DIN: 07529019

Kolkata, May 22, 2024



HARSH MITA & ASSOCIATES

CHARTERED ACCOUNTANTS

191 Chittaranjan Avenue, 4th Floor, Suite 7, Kolkata 700007

Tel. : +91 98316 54929 / +91 98831 19394. +91 33 4064 2186

Email : harshpoddar4@gmail.com ; mita.dhuwalia@yahoo.in

Web : www.hmaa.in

Independent Auditor's Report

To the Members of **McNALLY BHARAT EQUIPMENTS LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of **McNALLY BHARAT EQUIPMENTS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.



BRANCH OFFICE : Flat 402, Amaryllis Garden, New Rajendra Nagar, Near Shri Medishine Hospital, Raipur 492015
Tel. : +91 96306 88887. Email : saboo.shradha@gmail.com



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

The Ministry of Corporate Affairs vide notification dated September 10, 2018 inserted Rule 9A in the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('PAS Rules'), mandating every unlisted public company to hold and issue securities only in dematerialised form.

As per our Observation, the Company has defaulted in complying with this requirement.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

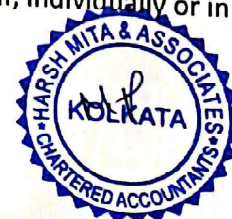
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.



Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the company.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) This report does not include report relating to internal financial controls as required u/s 143(3)(i) pursuant to Notification No. GSR 583(E) dated 13.06.2017 issued by MCA.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Sec 197(16) of the Act as amended, we report that Section 197 is not applicable to a private company. Hence reporting as per Section 197(16) is not required.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend have been declared or paid during the year by the company.

vi. As per proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 (Audit Trail) is applicable for the company and the same has been maintained as required.

Place:-KOLKATA

Date: 22.05.2024

UDIN: 24303343BKANZL8457

For HARSH MITA AND ASSOCIATES
Chartered Accountants
FRN: 327904E

Mita Poddar

MITA PODDAR
(PARTNER)
Membership No.



303343



Balance Sheet as at 31st March, 2024

(Amount in Lakhs unless otherwise stated)

| Particulars | Notes | (Amount in Lakhs unless otherwise stated) | |
|--|-------|---|---------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| ASSETS | | | |
| (1) Non Current assets | | | |
| Financial assets: | | | |
| (i) Other financial assets | 2 | 15.46 | 15.46 |
| Non-current tax assets (Net) | | | |
| Deferred tax assets (Net) | | 15.46 | 15.46 |
| Sub-total (1) | | | |
| (2) Current assets | | | |
| Financial assets: | | | |
| (i) Trade Receivables | 4 | 34.34 | 75.75 |
| (ii) Cash and cash equivalents | 5(a) | 30.76 | 58.68 |
| (iii) Other bank balances | 5(b) | - | - |
| (iv) Other financial assets | 2 | 58.78 | 84.71 |
| Current tax assets (Net) | | | |
| Other current assets | 3 | 14.78 | 3.84 |
| | 6 | 5.92 | 1.75 |
| Sub-Total (2) | | | |
| Total assets (1+2) | | | |
| | | 180.04 | 240.19 |
| EQUITY AND LIABILITIES | | | |
| 3. Equity | | | |
| (a) Equity share capital | 11(a) | 10.00 | 10.00 |
| (b) Other equity | 11(b) | 12.56 | 5.90 |
| Total equity | | | |
| | | 22.56 | 15.90 |
| Liabilities | | | |
| 4. Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 7 | 117.06 | 117.06 |
| (ii) Other financial liabilities | 8 | - | - |
| Sub-total (4) | | | |
| | | 117.06 | 117.06 |
| 5. Current liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | | - | - |
| (ii) Trade payables | | - | - |
| - Total outstanding dues of micro enterprises and small enterprises | | | |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | | |
| | 10 | 17.46 | 62.30 |
| (iii) Other financial liabilities | 8 | 2.55 | 32.23 |
| Other current liabilities | 9 | 0.40 | 12.71 |
| Sub-total (5) | | | |
| | | 20.42 | 107.24 |
| Total liabilities | | | |
| | | 137.48 | 224.29 |
| Total equity and liabilities | | | |
| | | 180.04 | 240.19 |

Significant Accounting Policies &
Notes on Financial Statements

1
2 to 15

For HARSH MITA & ASSOCIATES
Chartered Accountants
Firm Registration No. 327904E

Mita Poddar

(Mita Poddar)

Partner

Membership No. 303343

UDIN: 24303343BKANZLBT

Date: 22.05.2024

Place: Kolkata



For McNally Bharat Engineering Company Ltd.

Biswajit Sinha

BISWAJIT SINHA

(Director)

DIN: 07529019

Rupak Chandra

RUPAK CHANDRA

(Director)

DIN: 10335041

MCNALLY BHARAT EQUIPMENTS LIMITED
CIN No.: U27106WB2008PLC123789

Statement of Profit & Loss Account for Year ended 31st March, 2024

(Amount in Lakhs unless otherwise stated)

| Particulars | Notes | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-------|-----------------------------|-----------------------------|
| I. Revenue from operations | 12 | 197.85 | 130.60 |
| II. Other income | 13 | 0.48 | 0.16 |
| III. Total income | | 198.33 | 130.76 |
| IV. Expenses | | | |
| Service render cost | 14 | 178.03 | 117.54 |
| Other Expense | 15 | 11.31 | 2.16 |
| Total expenses | | 189.34 | 119.70 |
| V. Profit/(Loss) before exceptional items and tax | | 8.99 | 11.06 |
| Exceptional items | | | |
| VI. Profit/(Loss) before tax | | 8.99 | 11.06 |
| VII. Income tax expense | | | |
| - Current tax | | 2.33 | 2.69 |
| - Earlier tax (Tax Liability Net of Mat credit) | | - | - |
| - Deferred tax | | - | - |
| Total tax expense | | 2.33 | 2.69 |
| VIII. Profit/(Loss) after tax | | 6.66 | 8.37 |
| IX. Other comprehensive income/(expense) | | - | - |
| Items that will not be reclassified to statement of profit or loss | | | |
| X. Total comprehensive income/(expense) | | 6.66 | 8.37 |
| XI. Earnings per share: | | | |
| Basic earnings per share (Face value of INR 10 only each) | | 6.66 | 8.37 |
| Diluted earnings per share (Face value of INR 10 only each) | | 6.66 | 8.37 |

Significant Accounting Policies &
Notes on Financial Statements

1
2 to 15

For McNally Bharat Engineering Company Ltd.

For HARSH MITA & ASSOCIATES
Chartered Accountants
Firm Registration No. 327904E

Mita Poddar
(Mita Poddar)
Partner

Membership No. 303343

UDIN: 24303343BKANZ

Date: 22.05.2024

Place: Kolkata



Biswajit Sinha

BISWAJIT SINHA
(Director)
DIN: 07529019

Rupak Chandra

RUPAK CHANDRA
(Director)
DIN: 10335041



McNally Bharat Equipments Limited
CIN NO.: U27106WB2008PLC123789

Standalone Statement of Cash Flows for the year ended 31st March, 2024

(Amount in Lakhs unless otherwise stated)

| Particulars | Figures for the current reporting period ended 31 Mar, 2024 | Figures for the current reporting period ended March, 2023 |
|--|---|--|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit/(Loss) Before Tax | 8.99 | 8.37 |
| Adjustments for: | | |
| Preliminary Expenses, Discount on issue of Share and Debenture | | |
| Operating Profit/(Loss) before Working Capital Changes | 8.99 | 8.37 |
| Changes in Current Assets and Liabilities | 63.19 | (160.04) |
| Increase/(Decrease) in Liabilities for Expenses | (86.83) | 107.12 |
| Operating Profit/(Loss) after Charging Working Capital | (14.65) | (44.55) |
| Income Tax paid (Net of Tax Refund received) | (13.27) | 3.60 |
| Net Cash Flow/(Outflow) from Operating Activities | (27.92) | (48.15) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net Cash Flow from Investing Activities | - | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Cash Flow from Financing Activities | - | - |
| Net increase/(decrease) in Cash and Cash Equivalents | (27.92) | (48.15) |
| Cash and Cash Equivalents at the beginning of the year | 58.68 | 105.83 |
| Cash and Cash Equivalents at the end of the year | 30.76 | 58.68 |

As Per our Annexed Report of even date

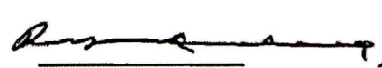
For HARSH MITA & ASSOCIATES
Chartered Accountants
Firm Registration No.327904E

Mita Poddar
(Mita Poddar)
Partner
Membership No. 303343
UDIN: 24303343BK
Date: 22.05.2024
Place: Kolkata



For McNally Bharat Equipments Limited


BISWAJIT SINHA
(Director)
DIN: 07529019


RUPAK CHANDRA
(Director)
DIN: 10335041

McNally Bharat Equipments Limited

CIN No.: U27106WB2008PLC123789

Standalone Statement of changes in equity for the year ended 31st March 2024

A. Equity share capital

| Description | Notes | Amount in Lakhs |
|---------------------------------|-------|-----------------|
| As at 1st April, 2023 | 11(a) | 10.00 |
| Changes in equity share capital | | - |
| As at 31st March, 2024 | | 10.00 |

B. Other equity

| Description | Notes | Reserve and surplus | Total other equity (in Rs.) |
|--|-------|---------------------|-----------------------------|
| | | (Retained earnings) | |
| Balance at 1st April 2023 | 11(b) | 5.90 | 5.90 |
| Profit for the Quarter | | 6.66 | 6.66 |
| Other comprehensive income/(Expense) | | - | - |
| Total comprehensive income/(Expense) for the year | | - | - |
| Dividends paid | | - | - |
| As at 31st March, 2024 | | 12.56 | 12.56 |

| Description | Notes | Reserve and surplus | Total other equity |
|--|-------|---------------------|--------------------|
| | | (Retained earnings) | |
| Balance at 1st April, 2022 | 11(b) | (2.47) | (2.47) |
| Profit/(Loss) for the year | | 8.37 | 8.37 |
| Other comprehensive income | | - | - |
| Total comprehensive income/(Expense) for the year | | 8.37 | - |
| Dividends paid | | - | - |
| Balance as at 31st March 2023 | | 5.90 | 5.90 |

MCNALLY BHARAT EQUIPMENTS LIMITED

CIN No.: U27106WB2008PLC123789

Notes to the Standalone Financial Statements

1 Background

McNally Bharat Equipments Limited (MBEL) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in business of manufacturing of industrial equipments.

2 Significant accounting policies

This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The Financial Statement have been prepared to comply in all material aspects with the Indian Accounting Standards (Ins AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Company (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

- The Financial Statement have been prepared on a historical cost basis, with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

(iii) Operating Cycle

All the assets and liabilities has been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained their operating cycle for the purpose of current or non-current classification of assets and liabilities as 12 months.

(b) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(i) Sale of Goods

Revenue from Sale of Goods is recognized when significant risks and rewards of ownership of Goods have passed to the buyer, usually on delivery of Goods. Revenue is measured at fair market value of the consideration received or receivable net of returns, discounts, volume rebate.

(ii) Sale of Services

Revenue from Sale of Services is recognized in the accounting period in which services are rendered.

(iii) Revenue from construction contracts

Revenue from construction contracts is recognized by reference to percentage of completion method. Percentage of completion is measured by reference to the contract costs incurred upto the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When it is probable that total contract costs will exceed contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variation in contract work, claims and incentive payments are included in contract revenue to the extent agreed to with the customer and are capable of being reliably measured.

(iv) Interest Income

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(v) Dividend Income

Dividend Income is recognized when the right to receive dividend is established.

(iv) Income from duty drawback

Income from duty drawback is recognised in the Statement of Profit and Loss on an accrual basis.

(c) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash inflows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

(e) Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit or loss.

(f) Borrowings

Borrowings are initially recognised at fair market value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the profit and loss over the period of borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss as other gains/ losses.

Borrowings are classified as Current Liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 24 months after the reporting period. Where there is breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability is become payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(g) Borrowings costs

General and specific borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets that necessarily take substantial period of time to get ready for intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

(h) Provisions, Contingent Assets and Liabilities

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

(c) Income Tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (MAT Credit Entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

(i) Contributed Equity

Equity shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in their determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity share, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

MCNALLY BHARAT EQUIPMENTS LIMITED
CIN No.: U27106WB2008PLC123789

Notes to Standalone Financial Statements for the year ended 31st March, 2024

(Amount in Lakhs unless otherwise stated)

| Note 2 Other Financial Assets | 31st Mar, 2024 | | 31st March, 2023 | |
|--|----------------|--------------|------------------|--------------|
| | Current | Non-current | Current | Non-current |
| Unsecured, considered good | | | | |
| Security Deposits | | | | |
| -Against Sales | 29.39 | | 13.06 | |
| Interest accrued but not due on fixed deposits | - | | 0.16 | |
| Recoverable from related parties (refer note 17) | - | | 58.44 | |
| Other receivables | 29.39 | 15.46 | 13.06 | 15.46 |
| Total | 58.78 | 15.46 | 84.71 | 15.46 |

| Note 3 Tax Assets (Net) | 31st Mar, 2024 | | 31st March, 2023 | |
|---|----------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Tax Deducted ast Source [(Net of provision of tax of Rs. 2.33 lakhs (31 March 2024) | 14.78 | | 3.84 | |
| Total | 14.78 | - | 3.84 | - |

Note 4 Trade Receivables

| Particulars | 31st Mar, 2024 | | 31st March, 2023 | |
|---------------------------------------|----------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Unsecured, considered good | 34.34 | | 75.75 | |
| | 34.34 | | 75.75 | |
| Of the above, trade receivables from: | | | | |
| - Related parties (refer note 17) | - | | | |
| - Others | 34.34 | | 75.75 | |
| Total | 34.34 | | 75.75 | |

Notes:

- 1) Credit period of the Company generally ranges between 30- 120 days.
- 2) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.
- 3) Trade Receivables ageing schedule:

i) As at 31 Mar, 2024

Particulars

| Particulars | Unbilled | Not Due | Outstanding for following period from due date of payment | | | | Total |
|--|----------|---------|---|--------------------|-----------|-----------|--------------|
| | | | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | |
| (i) Undisputed Trade Receivables - Considered good | - | - | 32.35 | 1.99 | - | - | 34.34 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | - | - | 32.35 | 1.99 | - | - | 34.34 |
| Total | - | - | 32.35 | 1.99 | - | - | 34.34 |

ii) As at 31 March 2023

Particulars

| Particulars | Unbilled | Not Due | Outstanding for following period from due date of payment | | | | Total |
|--|----------|---------|---|--------------------|-----------|-----------|--------------|
| | | | less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | |
| (i) Undisputed Trade Receivables - Considered good | - | - | 75.75 | - | - | - | 75.75 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - |
| Less: Loss Allowance | - | - | 75.75 | - | - | - | 75.75 |
| Total | - | - | 75.75 | - | - | - | 75.75 |

Note 5 Cash and cash equivalents

| Particulars | 31st Mar, 2024 | | 31st March, 2023 | |
|---|----------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| a. Balances with banks: | | | | |
| (i) Current account | | | | |
| AXIS BANK | 22.33 | - | 3.49 | - |
| INDUSIND BANK | 8.43 | - | 10.19 | - |
| (ii) Deposit account (with original maturity of 3 months or less) | - | - | 45.00 | - |
| | 30.76 | - | 58.68 | - |
| b. Other bank balances | | | | |
| Fixed Deposits with Bank | - | - | - | - |
| | - | - | - | - |

Note 6 - Other Assets

| Particulars | 31st Mar, 2024 | | 31st March, 2023 | |
|---|----------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Balances with government authorities | | | | |
| - Goods and services tax | 5.92 | - | 1.31 | - |
| Mat Credit | - | - | 0.30 | - |
| Prepaid Expenses | - | - | 0.15 | - |
| Total | 5.92 | - | 1.75 | - |

Note 7 - Borrowings

| Particulars | 31st Mar, 2024 | | 31st March, 2023 | |
|--|----------------|---------------|------------------|---------------|
| | Current | Non-current | Current | Non-current |
| Secured | | | | |
| Unsecured | | | | |
| Loan from other related parties (refer note no. 16) | - | 2.06 | - | 2.06 |
| Loan from others | - | 115.00 | - | 115.00 |
| Loans repayable on demand | - | - | - | - |
| - Bank overdraft | - | - | - | - |
| Total secured and unsecured borrowings | - | 117.06 | - | 117.06 |
| Add / (Less): Current maturities of non current borrowings | - | - | - | - |
| Total | - | 117.06 | - | 117.06 |

Note 8 - Other Financial Liabilities

| Particulars | 31st Mar, 2024 | | 31st March, 2023 | |
|-----------------------------------|----------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Measured at Amortised Cost | | | | |
| Security deposits (Related Party) | - | - | 11.75 | - |
| Retention money (Related Party) | - | - | 18.81 | - |
| Expenses payable (Related Party) | 2.55 | - | 1.67 | - |
| Total | 2.55 | - | 32.23 | - |

Note 9 - Other Liabilities

| Particulars | 31st Mar, 2024 | | 31st March, 2023 | |
|------------------------|----------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Statutory dues payable | - | - | 12.71 | - |
| Provision for expenses | 0.40 | - | - | - |
| Total | 0.40 | - | 12.71 | - |

Note 10 - Trade Payables

| Particulars | 31st Mar, 2024 | | 31st March, 2023 | |
|--|----------------|-------------|------------------|-------------|
| | Current | Non-current | Current | Non-current |
| Total outstanding dues of micro enterprises and small enterprises | | | | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 17.46 | - | 62.30 | - |
| Total | 17.46 | - | 62.30 | - |
| Of the above, trade payables to: | | | | |
| - Related parties (refer note 16) | 17.38 | - | 62.30 | - |
| - Others | 0.08 | - | - | - |
| Total | 17.46 | - | 62.30 | - |

Notes:

- 1) The company does not have any transactions with MSME Vendors under Micro, Small and Medium Enterprises Development Act, 2006.
- 2) Refer note 20 for exposure to currency and liquidity risks related to trade payables.
- 3) Trade payables ageing schedule:

| Particulars | Unbilled | Not Due | Outstanding for following period from due date of payment | | | | Total |
|----------------------------|----------|---------|---|-----------|-----------|-------------------|--------------|
| | | | Less than 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 17.46 | - | - | - | 17.46 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - | - | - |
| Total | - | - | 17.46 | - | - | - | 17.46 |

| Particulars | Unbilled | Not Due | Outstanding for following period from due date of payment | | | | Total |
|----------------------------|----------|---------|---|-----------|-----------|-------------------|--------------|
| | | | Less than 1 Year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 62.30 | - | - | - | 62.30 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues -Others | - | - | - | - | - | - | - |
| Total | - | - | 62.30 | - | - | - | 62.30 |

McNally Bharat Equipments Limited
CIN No.: U27106WB2008PLC123789

Notes to Standalone Financial Statements for the year ended 31st March ,2024

Note 11: Equity share capital and other equity

(Amount in Lakhs unless otherwise stated)

Note 11(a): Equity share capital

Authorised equity share capital

| Particulars | Number of shares | As at 31st March 2024 | As at 31st March 2023 |
|---|------------------|-----------------------|-----------------------|
| 100000 Equity Shares of Rs.10/- each (Pr.Yr. 100000 Equity shares of Rs.10/- each) | 1,00,000 | 10 | 10 |
| | 1,00,000 | 10 | 10 |

Issued, Subscribed & fully Paid-up Shares

| Particulars | Number of shares | As at 31st March 2024 | As at 31st March 2023 |
|---|------------------|-----------------------|-----------------------|
| 100000 Equity Shares of Rs.10/- each (Pr.Yr. 100000 Equity shares of Rs.10/- each) | 1,00,000 | 10 | 10 |
| | 1,00,000 | 10 | 10 |

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

The Shares of the above issued and subscribed shares, 99,400 shares (being 99.94% of total shares of the Company) are held by its holding company McNally Bharat Engineering Company Limited.

Shares of the company held by holding / ultimate holding company

| Shareholder | As at 31st March, 2024 | As at 31st March, 2023 |
|--|------------------------|------------------------|
| Out of equity shares issued by the company, shares held by its holding company and ultimate holding company are as below: McNally Bharat Engineering Company Limited, the holding company | 99,400 | 99,400 |

Details of shareholders holding more than 5% shares in the company

| Shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|--|------------------------|---------------|------------------------|---------------|
| | No of Shares | % | No of Shares | % |
| McNally Bharat Engineering Company Limited | 99400 | 99.40% | 99400 | 99.40% |
| | 99,400 | 99.40% | 99,400 | 99.40% |

Details of change in Promoter Holding

| Shareholder | As at 31st March, 2024 | | As at 31st March, 2023 | |
|--|------------------------|--------------|------------------------|--------------|
| | No of Shares | Change | No of Shares | % |
| McNally Bharat Engineering Company Limited | 99400 | - | 99400 | - |
| Prabir Kumar Ghosh | 100 | - | 100 | - |
| Arindam Sarkar | 100 | - | 100 | - |
| Prasanta Kumar Chandra | 100 | - | 100 | - |
| Sambhu Prasad | 100 | - | 100 | - |
| Nilanjan Roy | 100 | - | 100 | - |
| Mohan Bhasker | 100 | - | 100 | - |
| | 1,00,000 | 0.00% | 1,00,000 | 0.00% |

Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

- i) The Company has not issued any shares without payment being received in cash.
- ii) The Company has not issued any bonus shares.
- iii) The Company has not undertaken any buy-back of shares.

Dividend paid and proposed

There is no dividend paid or proposed during the year ended 31 March 2024 and 31 March 2023

Change in shareholding of the Company

There is no change in shareholding.

MCNALLY BHARAT EQUIPMENTS LIMITED
CIN No.: U27106WB2008PLC123789

Notes to Standalone Financial Statements for the year ended 31st March, 2024

Note 11(b) : Other Equity

(Amount in Lakhs unless otherwise stated)

| Particulars | 31st March, 2024 | 31st March, 2023 |
|-----------------------------------|------------------|------------------|
| Surplus | | |
| Balance as per last account | 5.90 | (2.47) |
| Add: Current year Profit | 6.66 | 8.37 |
| | 12.56 | 5.90 |
| Total Reserves and Surplus | 12.56 | 5.90 |

MCNALLY BHARAT EQUIPMENTS LIMITED
CIN No.: U27106WB2008PLC123789

Summary of significant accounting policies and other explanatory information for year ended 31 March 2024
(Amount in Lakhs unless otherwise stated)

16 Related party disclosures

Information on related party transactions as required by Ind AS 24 - Related Party Disclosures for the year ended 31 March, 2024

a) List of related parties

| | |
|---|---|
| Holding company | McNally Bharat Engineering Co. Ltd. |
| Directors & Key Managerial Personnel | 1. Rupak Chandra 2. Biswajit Sinha 3. Sukalyan Sarkar |
| Joint Ventures in which Holding Company is a Lead Partner and having significance influence. | 1. McNally-AML (JV) 2. McNally-Troxex (JV) 3. McNally-Troxex-Kilburn (JV) |

b) Details of related Party transactions and Outstanding Balance as on 31.03.2024

| Nature of Transactions | Holding Company | McNally-AML (JV) | McNally-Troxex (JV) | McNally-Troxex-Kilburn (JV) |
|---|-----------------|------------------|---------------------|-----------------------------|
| Services Charges Paid | 146.93 | | | |
| Rent Paid | 0.94 | | | |
| Advance Given / (Return) | | - | | |
| Outstanding as on 31.12.2024 [Receivables / (Payable)] | 21.99 | 0.01 | - | - |

Details of related Party transactions and Outstanding Balance as on 31.03.2023

| Nature of Transactions | Holding Company | McNally-AML (JV) | McNally-Troxex (JV) | McNally-Troxex-Kilburn (JV) |
|---|-----------------|------------------|---------------------|-----------------------------|
| Services Charges Paid | 117.54 | | | |
| Rent Paid | 1.25 | | | |
| Advance Given / (Return) | 58.44 | -0.65 | -0.83 | -0.70 |
| Outstanding as on 31.03.2023 [Receivables / (Payable)] | -96.39 | 0.01 | - | - |

(c) Amount and proportion of total loan taken from Related Party.

| Type of borrower | Amount of loan or advance taken in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans taken |
|-------------------|---|---|
| Promoters | - | - |
| Directors | - | - |
| KMPs | - | - |
| Related parties * | 2.06 | 1.76 |
| Others** | 115.00 | 98.24 |

* Outstanding Balance of Unsecured loans from McNally Bharat Engineering Co. Ltd., the holding company.

** Outstanding Balance of Advance taken from McNally Bharat Infrastructure Ltd.

Loans and Advances given by the company

| Name | Nature of Loan | Amount of Loan | Rate of interest |
|-------------------|----------------|----------------|------------------|
| Related parties * | Advance | 58.43 | - |

* Outstanding Balance of Unsecured loans from McNally Bharat Engineering Co. Ltd., the holding company.

17 Segment reporting

Based on guiding principles in Ind AS 108 - "Segment Reporting," the primary business segment of the Company is "Operation & Maintenance Services". As the Company operates in a single primary business segment, disclosure requirements are not applicable. The Company caters to the domestic market and accordingly there is no reportable geographical segment.

The Board of Directors ("the Board") of the Company review the performance of the Company at the enterprise level. The Board relies primarily on the results at the enterprise level for assessing performance and making decisions about resource allocation and hence, management believes that there are no

b) Information about major customer

During the financial year ended 31 March 2024, revenue from services is Rs. 197.85 Lakhs 83% of revenue from services is derived from one customer. (31 March 2023:130.60 Lakhs) 100% of revenue from services is derived from one customer)

18 Contingent liabilities and commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount is Nil (31 March 2023: Nil)

b) Contingent liabilities (to the extent not provided for) Nil

MCNALLY BHARAT EQUIPMENTS LIMITED
CIN No.: U27106WB2008PLC123789

Notes to Standalone Financial Statements for the year ended 31st March, 2024

(Amount in Lakhs unless otherwise stated)

| Note 12 Revenue from operations | 31st Mar, 2024 | 31st March, 2023 |
|---------------------------------|----------------|------------------|
| (a) Revenue from Service | 197.85 | 130.60 |
| Total | 197.85 | 130.60 |

Break-up of revenue from operations:

a) Disaggregation of revenue based on major customer

a) Revenue from service

| | |
|----------------|--------|
| Service Render | |
| -GMDC | 163.26 |
| JSPL | 34.59 |

b) Timing of revenue recognition:

| | |
|-------------------------|--------|
| Monthly fixed Invoicing | 163.26 |
| Service Render | 34.59 |

c) Reconciliation of the amount of revenue recognised in the Statement of Profit and Loss with the contracted price:

| | |
|-------------------------------------|---------------|
| Revenue as per contracted price | 197.85 |
| Less: Adjustments - | - |
| Sales return, rebates and discounts | - |
| Total | 197.85 |

d) Performance obligations

Revenue from Sale of Services is recognised in the accounting period in which services are rendered.

| Note 13 Other Income | 31st Mar, 2024 | 31st March, 2023 |
|------------------------------------|----------------|------------------|
| (a) Interest from Financial assets | 0.18 | 0.16 |
| (b) Interest from Income Tax | 0.30 | |
| Total | 0.48 | 0.16 |

| Note 14 Cost of Service rendered | 31st Mar, 2024 | 31st March, 2023 |
|----------------------------------|----------------|------------------|
| Services Charges Paid | 178.03 | 117.54 |
| Total | 178.03 | 117.54 |

| Note 15 Other Expenses | 31st Mar, 2024 | 31st March, 2023 |
|-------------------------------------|----------------|------------------|
| Auditor's Remuneration (Audit Fees) | 0.15 | 0.20 |
| Bank Charges | 0.01 | 0.02 |
| Hire Charges Others | 0.99 | - |
| Misc. Charges | | 0.11 |
| Software Purchase | 8.24 | - |
| Filing Fees | 0.25 | 0.53 |
| P Tax | 0.03 | 0.05 |
| Insurance | 0.15 | - |
| Rent | 0.94 | 1.25 |
| Travelling | 0.03 | |
| Printing and Stationery | 0.32 | |
| Consumption of Stores - Other | 0.21 | |
| Total | 11.31 | 2.16 |

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2024
(Amount in Lakhs unless otherwise stated)

20 Financial assets and liabilities

a) Fair value of financial assets and liabilities

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|--------------------|---------------------|--------------------|
| | Carrying Amount | At historical Cost | Carrying Amount | At historical Cost |
| Financial Assets | | | | |
| Fair value of financial assets measured at historical cost | | | | |
| Trade receivables | 34.34 | 34.34 | 75.75 | 75.75 |
| Cash and cash equivalents | 30.76 | 30.76 | 58.68 | 58.68 |
| Other bank balances | - | - | - | - |
| Other financial assets | 58.78 | 58.78 | 84.71 | 84.71 |
| Fair value of financial assets measured through Profit and Loss Investments | - | - | - | - |
| Total financial assets | 123.88 | 123.88 | 219.14 | 219.14 |
| Financial liabilities | | | | |
| Fair value of financial liabilities measured at amortised cost | | | | |
| Trade payables | 17.46 | 17.46 | 62.30 | 62.3 |
| Other financial liabilities | 2.55 | 2.55 | 32.23 | 32.23 |
| Total financial liabilities | 20.01 | 20.01 | 94.53 | 94.53 |

b) Financial assets and liabilities by category

| | As at 31 March 2024 | | As at 31 March 2023 | |
|------------------------------------|---------------------|--------------------|---------------------|--------------------|
| | FVTPL | At historical Cost | FVTPL | At historical Cost |
| Financial assets | | | | |
| Investments | - | - | - | - |
| Trade receivables | - | 34.34 | - | 75.75 |
| Cash and cash equivalents | - | 30.76 | - | 58.68 |
| Other bank balances | - | - | - | - |
| Other financial assets | - | 58.78 | - | 84.71 |
| Total financial assets | - | 123.88 | - | 219.14 |
| Financial liabilities | | | | |
| Trade Payables | - | 17.46 | - | 62.30 |
| Other financial liabilities | - | 2.55 | - | 32.23 |
| Total financial liabilities | - | 20.01 | - | 94.53 |

Note:

The management assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

21 Financial risk management

Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of its Board of Directors.

i Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

a) Trade Receivables

The trade receivables has no exposure to credit risk. The company extends credit to the customers in the normal course of business as per the contracts/agreements. Customer's outstanding balances are regularly monitored.

b) Other Financial Instruments

Credit risks from other financial instruments includes mainly cash and cash equivalents, investments and deposits with banks. The Company has no exposure to credit risk relating to its cash and cash equivalents.

ii Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

The Company's liabilities have contractual maturities which are summarised below:

| | Carrying Amount | On demand | 0 to 1 year | 1 to 3 years | Above 3 years | Total |
|-----------------------------|-----------------|-----------|--------------|--------------|---------------|--------------|
| As at 31 March 2024 | | | | | | |
| Trade payables | 17.46 | - | 17.46 | - | - | 17.46 |
| Other financial liabilities | 2.55 | - | 2.55 | - | - | 2.55 |
| Total | 20.01 | - | 20.01 | - | - | 20.01 |
| As at 31 March 2023 | | | | | | |
| Trade payables | 62.30 | - | 62.30 | - | - | 62.30 |
| Other financial liabilities | 32.23 | - | 32.23 | - | - | 32.23 |
| Total | 94.53 | - | 94.53 | - | - | 94.53 |

iii) Market risk

Market risk is the risk of potential adverse change in the Company's income and the value of Company net worth arising from movement in foreign exchange rates, interest rates or other market prices. The Company recognises that the effective management of market risk is essential to the maintenance of stable earnings and preservation of shareholder value. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the overall returns.

iv) Interest rate risk

There are no borrowings from banks/ financial institutions or inter corporate deposits. The Company does not have any material interest rate risk.

v) Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders through the optimization of debt and equity balance. The Company has no outstanding debt.

The Board of Directors review the capital structure of the Company on need basis. As part of this review, boards evaluates the leverage in Company and assessment of cost of capital.

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22 Analytical ratio

| Ratio | Numerator | Denominator | Formula | UoM | As at 31 March 2024 | As at 31 March 2023 | Variance % | Reason for variance |
|----------------------------------|--|---|--|-------|---------------------|---------------------|------------|---------------------------------|
| Current ratio | Current assets | Current liabilities | Current assets/ Current liabilities | Times | 7.08 | 2.10 | 70.40 | Due to increase Sales |
| Debt-equity ratio | Total debt | Shareholder's Equity | Total debt/ Shareholder's Equity | Times | 5.19 | 7.36 | -41.87 | Due to increase in Surplus Fund |
| Debt service coverage ratio | Earnings available for debt service | Finance costs on borrowings | Earnings available for debt service/ Debt Service | Times | - | - | - | NA |
| Return on equity ratio | Net Profits after taxes | Average Shareholder's Equity | Net Profits after taxes /Average Shareholder's Equity | % | 34.65 | 52.64 | -51.90 | Due to increase Sales |
| Inventory turnover ratio | Sales | Average inventory | Cost of goods sold OR sales/ Average Inventory | Times | - | - | - | - |
| Trade receivables turnover ratio | Net Credit Sales | Average Accounts Receivable | Net Credit Sales/ Average Accounts Receivable | Times | 3.59 | 1.72 | 52.03 | Due to increase Sales |
| Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | Net Credit Purchases/ Average Trade Payables | Times | 4.46 | 1.89 | 57.73 | Due to increase in Purchase |
| Net capital turnover ratio | Net Sales | Working Capital | Net Sales/ Working Capital | Times | 1.60 | 1.11 | 30.34 | Due to increase Sales |
| Net profit ratio | Net Profit | Net Sales | Net Profit/ Net Sales | % | 3.36 | 6.40 | -90.45 | Due to increase Sales |
| Return on capital employed | Profit before interest and taxes | Average Capital Employed | Earning before interest and taxes/ Average Capital Employed | % | 6.44 | 89.54 | -979.57 | Due to increase Sales |
| Return on investment | Profit on sale of investments+Profit on fair valuation of investment | Current Investment+Non Current Investment | Profit on sale of investments+Profit on fair valuation of investment/Current Investment+Non current investment | % | - | - | - | NA |

23 Additional notes to the financial statements

- The company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- The company do not have any transactions with struck-off companies
- The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company have not traded or invested in crypto currency or virtual currency during the financial year.
- The company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (intermediaries) with the understanding
- The company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in the books of accounts that has been surrendered or disclosed as income during the year)
- The company has not availed any facilities from banks on the basis of security of current assets.
- The company has not been declared as willful defaulter by any bank or financial institution or other lender.
- The Company has complied with the number of layers prescribed under clause (B7) of section 2 of the Act read with the Companies (Restriction on number of layers) Regulations, 2017.
- No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- The Company does not have any borrowings from banks or financial institutions against security of its current assets

24 On the basis of support from shareholder's, the company is exploring new business opportunities and is hopeful of resuming its operations. Considering all these, the financial statements have been prepared on Going Concern basis.

25 The Company does not have any lease arrangements and hence IND AS 116 "Leases" is not applicable.

26 The financial statements are approved for issue by the Board of Directors in its meeting held on 22th May 2024

RUPAK CHANDRA
DIN: 10885041

BISWATI SINHA
DIN: 02529019

