McNally Bharat Engineering Company Limited
CIN: L45202WB1961PLC025181
Corporate Office: Ecospace Campus 2B 11F/12
New Town Rajarhat North 24 Parganas Kolkata-700160
Telephone +91 33 68311001/+91 33 68311212
Email: mbe.corp@mbecl.co.in Website: www.mcnallybharat.com
Registered Office: 4 Mangoe Lane Kolkata-700001

An ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified Company

3rd September 2024

The National Stock Exchange of India Limited
Exchange Plaza, 5th floor
Plot # C/1, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

BSE Limited
Corporate Relations Department
1st Floor, New Trading Ring, Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Dear Sir/Madam,

Sub: Dispatch of Annual Report 2023-24
Ref: Compliance under LODR Regulation 34(1)
Scrip Code/Symbol: 532629 / MBECL

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") please find enclosed herewith the Company's Annual Report in respect of the Financial Year 2023-24 including Notice convening the Sixty-first Annual General Meeting ("61st AGM") of its Shareholders at 3.30 p.m. IST on Wednesday, 25th September 2024 by video conferencing/ other audio visual means.

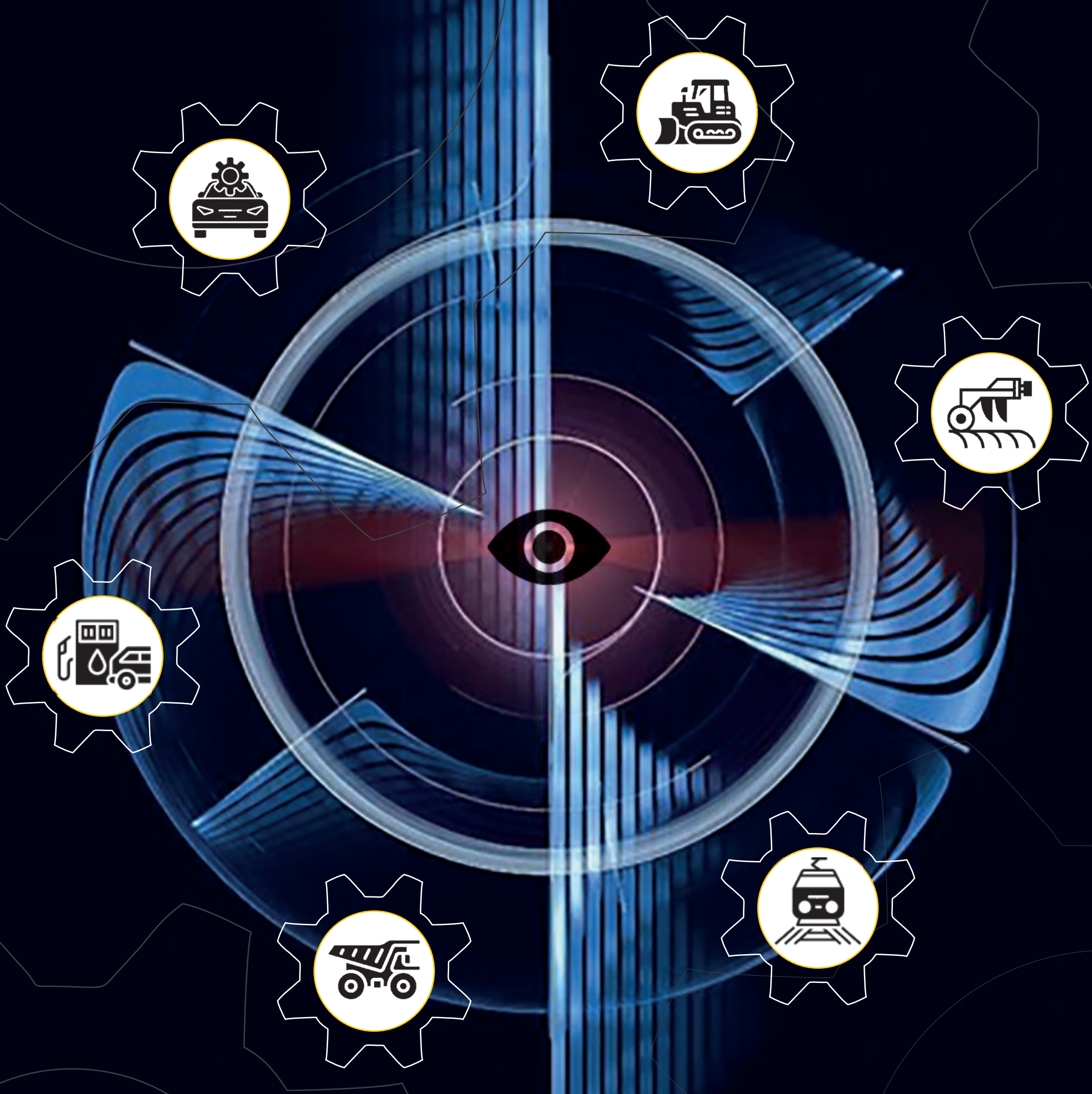
The Annual Report has been circulated to the Shareholders today and uploaded on the Company website www.mcnallybharat.com

Kindly take the above in your records and host in your website.

Yours faithfully,
McNally Bharat Engineering Company Limited
INDRANI RAY
Digitally signed by INDRANI RAY
DN: c=IN, o=Personal, 2.5.4.20=a57c40b378111919cbd8477d5db8f83a4fa05a765fc0d5a3c7bce87975f602e5, postalCode=700070, st=West Bengal, serialNumber=8a0bc7fbf829ec4755677d9698f24d3ba1895042bbfc1aaa7f4dc407e83634c1, cn=INDRANI RAY
Date: 2024.09.03 17:28:43 +05'30'
Indrani Ray
Company Secretary

Encl: As above

Accelerated Momentum



ANNUAL REPORT 2023-24

McNally Bharat Engineering Company Limited

Contents

Board of Directors

THE BOARD OF DIRECTORS

Mr. Aditya Khaitan
Chairman, Non-executive Director

Mr. Asim Kumar Barman
Independent Director &
Chairman- Audit Committee

Mr. Nilotpal Roy
Independent Director (till 10.08.2023)

Ms. Kasturi Roy Choudhury
Independent Director (till 10.08.2023)

CHIEF EXECUTIVE OFFICER

Mr. Srinivash Singh
(Resigned w.e.f. 30.10.2023)

CHIEF FINANCIAL OFFICER

Mr. Pradyuman Baidya

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Indrani Ray

REGISTERED OFFICE

4 Mangoe Lane, 7th Floor
Kolkata - 700001
West Bengal, India

CORPORATE OFFICE

Campus 2B, Ecospace Business Park,
11F/12 Rajarhat, New Town
North 24 Parganas
Kolkata - 700156
West Bengal, India

REGISTRAR & TRANSFER AGENT (RTA)

Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor
Kolkata - 700 001
West Bengal, India

CHAIRMAN OF THE MONITORING COMMITTEE

(Erstwhile Resolution Professional)
Mr. Ravi Sethia, Chartered Accountant
IP Registration No. IBBI/IPA-001/IP-P01305/2018-2019/12052
8th Floor, Building No. 10
DLF Cyber City, Phase II
Gurgaon, Haryana-122002

STATUTORY AUDITORS

V. Singhi & Associates
Chartered Accountants
Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata – 700 001
West Bengal, India

COST AUDITORS

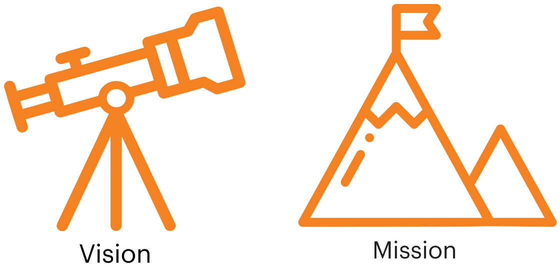
A. Bhattacharya & Associates
AB-275, Salt Lake City,
Kolkata – 700064
West Bengal, India

SECRETARIAL AUDITORS

M/s Prakash Shaw & Co.
Company Secretaries
P-38, Princep Street, 1st Floor
Room No. 12, Kolkata 700072
West Bengal, India

SOLICITORS

Khaitan & Co. LLP
1B, Old Post Office Street,
Kolkata - 700 001
West Bengal, India



Vision & Mission Statements

VISION

- We shall be a growth-oriented global organization, delighting our stakeholders through innovation and excellence in all our activities.
- We shall be a learning organization, focused on competence enhancement and people involvement.
- We shall demonstrate high standards of corporate governance and commitment towards environment and society.

MISSION

- Grow continually in terms of the expanding ambit of our business, making forays into newer and newer areas.
- Maintain high standards of quality in all our products and services.
- Employ, develop and retain high standards of human resources.
- Enable and empower our people at all levels to enrich themselves as individuals and as members of a team, guided by a set of standards for accountability & integrity.
- Serve the society within which we operate to enhance the quality of life around.

Notice

NOTICE is hereby given that the Sixty-first (61st) Annual General Meeting of the Members of McNally Bharat Engineering Company Limited will be held at 3:30 p.m. IST on Wednesday, 25th September 2024, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

Background:

The Members are hereby informed that McNally Bharat Engineering Company Limited has emerged out of the Corporate Insolvency Resolution Process (CIRP) as per provisions of the Insolvency and Bankruptcy Code, 2016 with effect from 19th December 2023, being the date of the Order passed by the Hon'ble National Company Law Tribunal, Kolkata Bench, approving the Resolution Plan submitted by BTL EPC Limited, Shrachi Group, upon its being voted by the Committee of Creditors (CoC) as the successful resolution plan for the resuscitation of the Company. The Company's affairs, business and assets have since been managed by a 5-member Monitoring Committee formed as per terms of the approved Resolution Plan with Mr. Ravi Sethia (the erstwhile Resolution Professional of the Company) as the Chairman of the Monitoring Committee and four other members with equal representation from the Lenders (Banks) of the Company and BTL EPC Limited, the Successful Resolution Applicant (SRA).

Ordinary Business:

1. To receive, consider and adopt:

(a) The audited financial statement of the Company for the financial year ended 31st March 2024, and the Reports of the Directors and the Auditors thereon and

(b) the audited consolidated financial statement of the Company for the financial year ended 31st March 2024 and the Report of the Auditors thereon.

2. To consider non-declaration of dividend on Non-convertible Redeemable Preference Shares for the Financial Year ended 31st March 2024:

   In absence of profit for the current year (2023-24), it is considered prudent not to recommend any dividend on Equity Shares for the year under review. Further, in view of accumulated losses, no dividend be rewarded to the Non-convertible Redeemable Preference Shareholders, though they are entitled to receive dividend at a fixed rate of 11.50% on the Non-convertible Redeemable Preference Shares of Rs. 100/- each.

Special Business:

3. To approve the remuneration of the Cost Auditors for the financial year ending 31st March 2025.

   To consider and, if thought fit, to pass the following resolution as anOrdinary Resolution:

   "RESOLVED that in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditor M/s. A. Bhattacharya & Associates, Cost Accountants, appointed as the Cost Auditor of the Company by the Chairman of the Monitoring Committee and the (suspended) Board of Directors subject to approval of the Monitoring Committee, for conducting audit of cost accounting records maintained by the Company as applicable, for the financial year 2024-25, the details of which are given in the explanatory statement in respect of this item of business annexed to the Notice convening this Meeting, be and is hereby ratified;

   RESOLVED FURTHER that the Chairman of the Monitoring Committee, any one Director and the Company Secretary be and are hereby severally authorised to do all such deeds, things and actions as may be necessary and expedient in order to give effect to this Resolution."

For **McNally Bharat Engineering Company Limited**

Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

6th August 2024
Kolkata

Indrani Ray
Company Secretary

Notice *(Contd.)*

Notes

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), Secretarial Standard-2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business is annexed hereto.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May 2020, Circular No. 02/2021 dated 13th January 2021, Circular No. 02/2022 dated 5th May 2022, Circular No. 11/2022 dated 28th December 2022, Circular No. 09/2023 dated 25th September 2023 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate at the ensuing 61st Annual General Meeting (61st AGM / AGM) through VC/OAVM.

3. Pursuant to the Circular No. 14/2020 dated 8th April 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the bodies corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Members seeking any information / clarification with regard to the accounts or any matter to be dealt at the AGM, are requested to write at mbecal@mbecl.co.in on or before 18th September 2024.

6. All the documents referred to in the Notice and the Statutory Registers maintained under Section 170 and Section 189 of the Companies Act, 2013, will be available for electronic inspection during the AGM.

7. The relevant details in respect of Directors seeking appointment/re-appointment at the AGM in terms of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed.

8. In compliance with the aforesaid MCA and SEBI Circular, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode at the email addresses of members as registered with the RTA / Depositories as on 16th August 2024. Physical copy of Notice and/or Annual Report will not be sent to any member. Members may note that the Notice and Annual Report 2023-24 will also be available at the Company website www.mcnallybharat.com and websites of the Stock Exchanges, viz. BSE Limited and The National Stock Exchange of India Limited at www.bseindia.comand www.nseindia.com respectively and also the e-voting agency, viz. National Securities Depository Limited (NSDL) website at https://www.evoting.nsdl.com.

9. As per Regulation 40 of Listing Regulations, the equity share(s) of the Company can be transferred only in dematerialized form. In view of this and to eliminate risks associated with physical shares, members holding shares in physical form are advised to convert their holdings into dematerialized form.

10. **(A) Members holding shares in physical mode are:**

    i) required to submit their Bank Account details, E-mail ID and PAN to the Company/ RTA, as mandated by the Securities and Exchange Board of India (SEBI) including the change, if any;

    ii) requested to opt for the Electronic Clearing System (ECS) mode for instant and secured receipt of dividend in future;

    iii) advised to make nomination in respect of their shareholding in Form SH13;

    iv) requested to send their share certificates to RTA for consolidation, in case shares are held under two or more folios; and

    v) informed that the shares in physical mode will not be accepted for transfer.

    (B) Members holding shares in electronic mode are:

    i) requested to submit their address, Bank Account Details, E-mail id and PAN to respective DPs with whom they are maintaining their demat accounts including the change, if any, as mandated by SEBI; and

    ii) advised to contact their respective DPs for availing the nomination facility.

11. Members may note that registration/ updation of their E-mail addresses with RTA, if shares are held in physical mode, or with their DPs, if shares are held in electronic mode would ensure delivery of all future communications from the Company including Annual Reports, Notices, Circulars, etc., without delay or, as the case may be, loss in postal transit.

Notice *(Contd.)*

12. Members are requested to note that, dividends not claimed for a consecutive period of 7 (seven) years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund ("IEPF") of the Government of India. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

    In view of this, Members are requested to claim their dividend(s) from the Company, within the stipulated timeline. The Members, whose unclaimed dividend(s)/ share(s) have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in prescribed Form No. IEPF-5 available on www.iepf.gov.in.

13. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2012-13 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Thereafter no dividends have been declared by the Company.

14. Members are requested to address all correspondence relating to the shareholding and dividend to the Registrar & Share Transfer Agent (RTA) of the Company i.e. Maheshwari Datamatics Private Limited, Account MBECL, 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, Telephone: 033 2243-5029/5809, Fax: 033 2248-4787, Website: www.mdpl.in , E-mail: mdpldc@yahoo.com

    However, keeping in view the convenience of the Members, documents relating to shares including complaints/grievances shall also be received at the Registered Office of the Company at 4 Mangoe Lane, Kolkata –700001, E-mail: mbecal@mbecl.co.in.

E-Voting:

1. In compliance with the provisions of Section 108 of the Act, the Rules made there under and Regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote electronically, through remote e-voting services provided through NSDL on all Resolutions set-forth in this Notice.

2. The remote e-voting period will commence on 22nd September 2024 at 10:00 hours IST and end on 24th September 2024 at 17:00 hours IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.

3. During this period, Members holding shares either in physical form or in dematerialized form, as on 18th September 2024 i.e. cut-off date, may cast their votes electronically. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

4. Those Members, who will be attending AGM through VC/OAVM facility, if not cast their votes on the Resolutions through remote e-voting, and are otherwise not barred from voting so, shall be eligible to vote through e-voting system during the AGM.

5. The Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM through VC / OAVM but shall not be entitled to cast their votes again.

6. The Company has appointed Mr. Prakash Kumar Shaw (Membership No. ACS 32895, COP No. 16239), Practicing Company Secretary, Kolkata, to act as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

7. Members can join the AGM in VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April 2020, 13th April 2020, 5th May 2020, 5th May 2022, 28th December 2022 and 25th September 2023, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

9. Members are requested to carefully read all the instructions regarding attending the AGM through VC/OAVM, casting votes through remote e-voting and other guidelines / instructions as given below.

Notice *(Contd.)*

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:

The remote e-voting period begins on 22nd September 2024 at 10:00 A.M. and ends on 24th September 2024 at 5:00 P.M. The remote e-votingmodule shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 18th September 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 18th September 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and Email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**'section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digitdemat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Notice *(Contd.)*

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest arehttps://web.cdslindia.com/myeasi/home/loginorwww.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will alsobe able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.inor call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.
How to Log-in to NSDL e-Voting website?
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Notice *(Contd.)*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?	
1.	After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

Notice *(Contd.)*

2.	Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3.	Now you are ready for e-Voting as the Voting page opens.
4.	Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5.	Upon confirmation, the message "Vote cast successfully" will be displayed.
6.	You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7.	Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1.	Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csprakashshaw@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2.	Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. 18th September 2024 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 18th September 2024 may follow steps mentioned in the Notice of the AGM under Step 1 :"Access to NSDL e-Voting system"(Above).
3.	It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
4.	In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the Resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to mbecal@mbecl.co.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to mbecal@mbecl.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and Email id in their demat account in order to access e-Voting facility.

Notice *(Contd.)*

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend theAGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connectedwith the facility for e-Voting on the day of the AGM shall be the same person mentionedfor Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join Meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable WiFi or LAN connection to mitigate such possible technical glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a Speaker and may send their request mentioning their name, demat account number/folio number, email id, mobile number at mbecal@mbecl.co.in latest by 5:00 p.m. (IST) on Wednesday, 18th September 2024.
6. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/ folio number, email id, mobile number at mbecal@ mbecl.co.in latest by 5:00 p.m. (IST) on Wednesday, 18th September 2024. The same will be replied by the Company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.inor call 1800 1020 990 / 1800 22 44 30.

Notice *(Contd.)*

Explanatory Statement Pursuant to Section 102 of theCompanies Act, 2013 in respect of the item of Special Business set out in the Notice Convening the Meeting:

Item No. 3

The Chairman of the Monitoring Committee (erstwhile Resolution Professional of the Company) along with the suspended Board of Directors approved the re-appointment of M/s A. Bhattacharya & Associates, Cost Accountants, as Cost Auditors of the Company, subject to approval(s) as may be necessary, to conduct audit of Cost Records maintained by the Company in respect of products as applicable for the financial year 2024-25 at a remuneration of Rs. 2,00,000/- plus taxes as applicable and reimbursement of out-of-pocket expenses at actuals.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 3 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2025.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Ordinary Resolution set out at Item no. 3 is hereby recommended for approval of the Members.

For **McNally Bharat Engineering Company Limited**

Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

6th August 2024
Kolkata

Indrani Ray
Company Secretary

Directors Report

REPORT UNDER SECTION 134 OF THE COMPANIES ACT, 2013

The financial year 2023-24 has been very challenging for the Company. Industrial slowdown accompanied by Banking restrictions on liquidity management adversely impacted the business and profitability of the Company. However, the Company under the guidance of the Monitoring Committee is committed to its vision to create long term stakeholder value.

The (suspended) Board of Directors and the Chairman of the Monitoring Committee (erstwhile Resolution Professional) together present the 61st Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements ("the Financial Statements") and the Auditors Report thereon for the financial year ended on 31st March 2024.

Update on Corporate Insolvency Resolution Process (CIRP)

This is to apprise the members that McNally Bharat Engineering Company Limited was under Corporate Insolvency Resolution Process ("CIRP") which was admitted vide an order passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench dated 29th April 2022 under the provisions of the Insolvency and Bankruptcy Code 2016 ("Code/IBC"), pursuant thereto, on the same date ie. 29th April 2022 the Hon'ble NCLT, Kolkata Bench appointed Mr. Anuj Jain as Interim Resolution Professional ("IRP") who, in his capacity, assumed control of the management and operations of the Company with effect from 29th April 2022. Subsequently, the Hon'ble NCLT Kolkata vide Order dated 26th August 2022 appointed Mr. Ravi Sethia (Registration No. IBBI/IPA-001/IP-P01305/2018-2019/12052) as Resolution Professional ("RP") in place of Mr. Anuj Jain.

During the Financial Year 2023-24, 4 (four) prospective Resolution Applicants viz. Amit Metaliks Limited, Nalwa Steel and Power Limited, BTL EPC Limited and Rashmi Metaliks Limited had submitted respective Resolution Plans to the Resolution Professional. BTL EPC Limited, the engineering division of Kolkata- based Shrachi Group emerged as the highest bidder for McNally Bharat Engineering Company Limited. In the 32nd CoC ("Committee of Creditors") meeting held on 27th July 2023, the Resolution Plan of BTL EPC Limited was approved by 90.06% voting share, on the criteria of higher Net Present Value.

Subsequently, on 3rd August 2023, the Application for Approval of Resolution Plan under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency

Directors Report *(Contd.)*

Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations") was filed by the Resolution Professional with Hon'ble NCLT Kolkata, which vide Order dated 19th December 2023 (the "Appointed Date") approved the Resolution Plan of BTL EPC Limited (the "Approved Resolution Plan").

In terms of the NCLT Order dated 19th December 2023, a 5-member Monitoring Committee ("MC") was formed with the Resolution Professional and two representatives each from the Committee of Creditors (CoC) and BTL EPC Limited. The Monitoring Committee held its first meeting on 28th December 2023, nominating Mr. Ravi Sethia (erstwhile Resolution Professional) as the Chairman of the Monitoring Committee. The management and operations of the Company have since been conducted under the supervision and control of the Monitoring Committee.

Financial Highlights

The Financial Statements for the financial year ended 31st March 2024 forming part of this Annual Report have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

The highlights of Standalone Financial Statements are set out below:

Particulars	₹ in Lakhs	
	2023-24	2022-23
(A) PROFITABILITY		
1. Gross Total Revenue	21,500.64	27,006.31
2. Total Expenses (except depreciation, amortization and finance costs)	26,128.83	54,425.97
3. Finance Costs	83,377.18	193,536.72
4. Depreciation & Amortizations	320.90	396.87
5. Total Expenses (2+3+4))	1,09,826.92	248,359.56
6. Profit/(Loss) before Exceptional/Extraordinary items	(88,326.28)	(221,353.25)
7. Exceptional/Extraordinary items	0.00	25,767.49
8. Profit/(Loss) before Tax	(88,326.28)	(247,120.74)
9. Profit/(Loss) after Tax	(88,326.28)	(247,120.74)
10. Other Comprehensive Income	77.41	9.04
11. Total Comprehensive Income	(88,248.87)	(247,111.70)
(B) ASSETS & LIABILITIES		
1. Non-Current Assets	53,832.71	54,123.90
2. Current Assets	1,45,865.25	1,55,382.07
3. Total Assets (1+2)	1,99,697.96	2,09,505.97
4. Equity Share Capital	21,157.08	21,157.08
5. Other Equity	(4,41,961.27)	(3,53,712.41)
6. Non-Current Liabilities	199.18	283.28
7. Current Liabilities	6,20,302.97	5,41,778.02
8. Total Equity & Liabilities (4+5+6+7)	1,99,697.96	2,09,505.97

Directors' Responsibility Statement / Statement by the Chairman of the Monitoring Committee

To the best of the knowledge and beliefs, the Chairman of the Monitoring Committee (erstwhile Resolution Professional) and the Director/s make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

i. that in preparation of the Annual Accounts for the financial year ended 31st March 2024, the applicable accounting standards have been followed along with proper explanations relating to material departure;

ii. they have 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 as at 31st March 2024 and of the profit/loss of the Company for the year ended on that date;

iii. they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Directors Report *(Contd.)*

iv. they have prepared the annual accounts on a "going concern" basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Company's Performance

The annexed Management Discussion and Analysis forms part of this report and covers, amongst other matters, the performance of the Company during the financial year 2023–24 as well as the future outlook.

Corporate Governance Report

In accordance with Regulation 34(3) read with Schedule V(C) of the Listing Regulations, the report on Corporate Governance along with the certificate from the Statutory Auditors is attached and forms part of this Annual Report.

Transfer to Reserve

No amount is proposed to be transferred to General Reserve during the year.

Dividend

There is no recommendation of dividend for Equity Shareholders during the financial year 2023-24. Further, in view of the accumulated losses, no dividend will be rewarded to the Preference Shareholders, although entitled to receive dividend at a fixed rate of 11.50% on the Non-Convertible Redeemable Preference Shares of Rs 100/- each.

Preferential Allotment of Redeemable Preference Shares

During the year, no Non-cumulative Redeemable Preference Shares have been allotted on preferential basis.

Deposits

During the year under review, the Company had not accepted any deposit or renewed any deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

Loan to Directors

During the financial year, the Company had not advanced any loan or given any guarantee nor provided any security in connection with any loan made to any of its Director/s or to any other person in whom the Director is interested as mentioned in section 185 of the Companies Act, 2013 read with Rule 10 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

Loans, Guarantees and Investments

The particulars of loans, guarantees, securities and investments made by the Company during the Financial Year 2023-24, along with the purpose for which such loan or guarantee or security is utilized/proposed to be utilized are provided in Note nos. ….. and ……. of the accompanying Standalone Financial Statements.

Contingent Liabilities and Major Litigations

Details of contingent liabilities and major litigations covered under the applicable provisions of the Companies Act, 2013 are given in the Notes to the Financial Statements.

Meetings of the (suspended) Board of Directors

During the Financial Year ended 31st March 2024, 4 (four) Meetings were held with members of the (suspended) Board of Directors and the Resolution Professional, wherein members were present through video-conferencing and in which the suspended Board noted the state of affairs and financial conditions of the Company. However, no approval was sought from the Directors as the Company was undergoing CIRP as per relevant provisions of the Code.

The dates on which the Meetings were held are given below:

26th May 2023, 10th August 2023, 10th November 2023 and 13th February 2024.

Directors and Key Managerial Personnel (KMP)

Appointments

During the financial year under review, no Directors were appointed in the Company.

Resignations

During the financial year, 2 (two) Independent Directors namely, Mr. Nilotpal Roy (DIN 00087298) and Ms. Kasturi Roy Choudhury (DIN 06594917) resigned from the (suspended) Board of Directors with effect from the close of business hours of 10th August 2023.

Directors retiring by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Aditya Khaitan (DIN 00023788) will retire by rotation at the Company's ensuing 61st Annual General Meeting and is eligible for being re-appointment.

However, the re-appointment is subject to approval of the Monitoring Committee, the positive consent of the Director to be appointed as such, and the stage of implementation of the Resolution Plan on the date of the 61st AGM.

In case the Resolution Plan implementation is completed before the AGM date, the office of the existing Directors would automatically cease, without any further action on the part of any person/ body.

Directors Report *(Contd.)*

The Chairman of the Monitoring Committee to recommend the re-appointment of Mr. Aditya Khaitan as a Director on the Company's Board, accordingly.

Declaration by Independent Directors

As on 31st March 2024, Mr. Asim Kumar Barman (DIN 02373956) was the only Independent Director on the Company's Board.

The Independent Director has confirmed, as required under sub-section (7) of Section 149 of the Act read with Regulation 25(8) of the Listing Regulations, that he meets the criteria of independence required under sub-section (6) of Section 149 of the Act and clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations. The (suspended) Board, after undertaking due assessment of the veracity of the declaration submitted by the Independent Director under sub-section (6) of Section 149 of the Act read with sub-regulation (9) of Regulation 25 of the Listing Regulations, was of the opinion that the Independent Director meets the criteria of independence.

Directors' Shareholding

There is no shareholding of any Managing Director and Non-Executive Director/s in the Company.

Key Managerial Personnel (KMP)

The following are the Key Managerial Personnel of the Company during the financial year under review:

- Mr. Srinivash Singh, Chief Executive Officer
- Mr. Pradyuman Baidya, Chief Financial Officer
- Ms. Indrani Ray, Company Secretary & Compliance Officer.

During the Corporate Insolvency Resolution Process, the Committee of Creditors on 3rd June 2022 re-designated Mr. Srinivash Singh (DIN 00789624) as Managing Director & Chief Executive Officer (MD & CEO). Upon expiry of the term of office of Managing Director on 13th December 2022, the Committee of Creditors agreed upon Mr. Singh's continuation as CEO with effect from 14th December 2022. Mr. Srinivash Singh resigned from the services of the Company with effect from 30th October 2023.

The Board has received written confirmation from its senior management personnel that during the financial year 2023-24 they had no personal interest in any material, financial and commercial transactions of the Company.

Directors and KMP Remuneration

All the Directors of the Company were Non-executive Directors and majority were Independent Directors.

Considering the financial position of the Company, Directors have foregone their rights to receive sitting fee for attending Board/Committee meetings and no remuneration was paid to them during the financial year 2023-24.

(a) The ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year is not applicable due to reasons mentioned above. However, the same for each Key Managerial Personnel (KMP) is given below:

Name of Director	Designation	Remuneration ₹ in Lakhs	Ratio to median remuneration
Mr. Srinivash Singh*	Chief Executive Officer	127.72	33.30
Mr. Pradyuman Baidya	Chief Financial Officer	36.30	9.46
Ms. Indrani Ray	Company Secretary & Compliance Officer	38.21	9.96

*Resigned w.e.f. 30th October 2023.

(b) the percentage increase in remuneration of any Director is not applicable due to reasons mentioned above. However, the same for each KMP during the Financial Year is given below:

Sl No.	Name	Total Remuneration 2023-24 ₹ in Lakhs	Total Remuneration 2022-23 ₹ in Lakhs	Percentage Increase/ (Decrease)
1	Managing Director (Note 1)	0.00	154.33	
2	Chief Executive Officer	127.72	65.63	
4	Chief Financial Officer	36.30	34.49	5.21 %
5	Company Secretary & Compliance Officer	38.21	38.21	

Note 1: Mr. Srinivash Singh was the Managing Director & CEO till 13.12.2022 and continued as the CEO from 14.12.2022 to 30.10.2023.

(c) the percentage decrease in the median remuneration of the employees in the financial year 2023-24 was 37.54%;

Directors Report *(Contd.)*

(d) the number of permanent employees on the rolls of the Company as at the end of the financial year was 253.

It is hereby affirmed that the remuneration of Directors and KMP are as per the Remuneration Policy of the Company.

Board Committees

During the financial year under review, the Board of Directors remained suspended owing to the on-going CIRP. Therefore, Board Committees also remained suspended.

The Board had constituted the following Committee of Directors to monitor the activities and to deal with matters within the terms of reference of the Committees:

(i) Audit Committee

(ii) Stakeholders' Relationship Committee (SRC)

(iii) Nomination and Remuneration Committee (NRC)

(iv) Corporate Social Responsibility (CSR) Committee

The CSR Committee was dissolved on 12th November 2022 as the criteria determining formation of the Committee under Section 135 of Companies Act, 2013 was no longer applicable to the Company.

The Board has a defined set of guidelines, duties and responsibilities and an established framework commensurate with the applicable provisions of the Companies Act and Listing Regulations for conducting the meetings of the said Committees. A detailed note on the Board of Directors and its committees, their

scope etc. is provided under the Corporate Governance Report section of this Annual Report.

Corporate Social Responsibility

The Company's Corporate Social Responsibility (CSR) Policy formulated in accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 can be accessed on the Company

website at the following link: https://www.mcnallybharat.com/assets/pdf/investor/policy/MBECL- CSR%20Policy-%20Revised%202022.pdf .

The Company was not required to spend any amount on CSR activities during the Financial Year 2023-24 as it had incurred losses during the 3 (three) immediately preceding financial years.

Company Policy on Directors' appointment and remuneration and Senior Management Personnel appointment and remuneration

The Company's Remuneration Policy for the members of the Board, Key Managerial Personnel and Senior Management Personnel formulated in accordance with Section 178 of the Act read with the Regulation 19(4) of the Listing Regulations can be accessed on the Company website at the following linkhttps://www.mcnallybharat.com/assets/pdf/investor/policy/remuneration- policy.pdf .

The salient features of the Remuneration Policy are as under:

Aims & Objectives:

1) The remuneration policy seeks to enable the Company to provide a well- balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2) The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.

3) The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Principles of Remuneration

a) Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

b) Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

c) Internal equity: The Company shall remunerate the Board members, KMP and senior management in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

d) External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

Directors Report *(Contd.)*

e) Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

f) Performance-driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

g) Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

Energy Conservation Measures

The Company maintained highly focused energy conservation efforts throughout the financial year.

Energy conservation measures taken during the year included:

(i) routine steps like strict control and monitoring the consumption of energy on a continual basis;

(ii) preventive maintenance of machines like AC units, DG sets etc. resulting in optimal usage of electrical parts;

(iii) installation of LED lamps extensively across all sections of the Head Office and Sites, including flood lights;

(iv) installation of several energy saving equipments progressively throughout the year.

Operational measures included setting of benchmarks with respect to the current year with targets for increased savings, initiatives by energy conservation committees comprising of cross functional groups, close monitoring and performance evaluation of plants and machinery by conducting regular self-audit and up gradation of equipments used at the sites.

Some of the actions planned for next year include replacement of remaining conventional lamps with energy efficient LED lamps.

Foreign Exchange earnings and outgo

Sl No.	Particulars	Current Year 2023-24	Previous Year 2022-23
1	Foreign Exchange Earnings	NIL	397.13
	Foreign Exchange Outgo	NIL	NIL

Auditor and Auditor's Report

At the 58thAnnual General Meeting of the Company held in year 2021, the shareholders had approved the appointment of M/s. V. Singhi and Associates, Chartered Accountants (Firm Registration Number 311017E) as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years from the conclusion of the 58th Annual General Meeting till the conclusion of the 63rd Annual General Meeting.

The Report of Auditors contains adverse opinion on the Standalone Financial Statements to which clarification of the Board is furnished hereunder:

Sl No.	Adverse opinion	Board's clarification
1	**a) Current Assets, Current Liabilities and Capital Work – in – Progress**	Recoverability Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets and other current assets depends upon the outcome of Arbitration orders and confirmation / reconciliation with parties. Therefore, adjustments / impact with respect to these are not currently ascertainable. Current Liabilities and Capital Work-in-Progress is under confirmation and reconciliation with the parties. Therefore, adjustment / impact with respect to these are not currently ascertainable.
	i. We draw attention to Note 44 to the Standalone Financial Statements regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets and Advance from Customer being subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. Adjustments / Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.	
	ii. We draw attention to Note 6(d) to the Standalone Financial Statements, Claims Recoverable (BG Encashed) amounting to Rs. 36,183.70 Lakhs, including Rs. 11,677.58 Lakhs under arbitration whose fair value is Rs. 21,454.57 Lakhs are doubtful. Recoverability/Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.	
	iii. There is no material movement in Capital Work-in-Progress amounting to Rs. 462.62 Lakhs, since 31st March, 2016. In absence of any audit evidence, we are unable to ascertain the impact/ adjustments required and comment on the same.	
2	**b) Non-adjustment of the Carrying Value of Loan**	In the absence of any further communication with Vedica Sanjeevani Projects Private Limited ("VSPL"), the Company is unable to estimate the impact.
	In earlier years, the Company had given unsecured loan to Vedica Sanjeevani Projects Private Limited ("VSPL"). VSPL vide their letter dated 15th February, 2022 informed the Company that it was unable to service the debt and requested the Company for a moratorium on the repayment of the loan, including interest for two years i.e., Financial Year 2021-22 and Financial Year 2022-23. Subsequently, the Company has stopped recognizing interest income on the same. In absence of any further communication between the Company and VSPL made available to us, we are unable to comment on the realisability of loan and its interest and consequential adjustment to be made in the books.	

Directors Report *(Contd.)*

Sl No.	Adverse opinion	Board's clarification
	This constitutes a material departure from the requirements of Indian Accounting Standard – 109 "Financial Instrument".	
3	**c) Recognition of Deferred Tax Assets** Note 7 to the Standalone Financial Statements mentions that the Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018, which is being carried forward in the books by the Company expecting adequate future taxable profits after infusion of fresh funds in the Company by the successful Resolution Applicant against which such deferred tax assets would be adjusted. The Company has been continually incurring losses and its net worth has been fully eroded. We are unable to obtain sufficient appropriate audit evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 31st March, 2024. This constitutes a material departure from the requirements of Indian Accounting Standard 12 "Income Taxes".	The Company believes that based on the infusion of fresh funds coming to the Company with the investors' support there will be adequate future taxable profit available to the company against which the deferred tax assets can be utilized. However, the Company has not recognized further deferred tax assets thereafter on prudent basis.

Secretarial Auditors

In accordance with the provisions of Section 204 of the Act, Mr. Prakash Shaw (ICSI Membership No. A 32895 and C.P. No. 16239), Practicing Company Secretary, was appointed as the Secretarial Auditor of the Company for the financial year ended on 31st March 2024.

The Secretarial Audit Report for the financial year 2023-24 submitted by the Secretarial Auditor contains audit qualifications to which Management response has been duly furnished. The Secretarial Audit Report is annexed and forms part of the Annual Report.

The certificate from the Practicing Company Secretary pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the Listing Regulations with respect to non-disqualification of Directors of the Company as on 31st March 2024 is also annexed and forms part of the Annual Report.

Secretarial Standards

During the financial year under review, the Company has complied with the applicable Secretarial Standards.

Cost Records and Cost Auditors

During the financial year, the Company has maintained cost records in accordance with Section 148 of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government in this regard.

M/s A. Bhattacharya & Associates, Cost Accountants (Firm Registration No. 100255) has been appointed the Cost Auditor of the Company to audit the cost records for the financial year 2023-24 as required under Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Related Party Transactions

The contracts, arrangements and transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and were on arm's length basis. During the year, there has been no materially significant related party transaction made by Promoters, Directors, Key Managerial Personnel of the Company which could have a potential conflict of interest with the Company at large.

The particulars of contracts or arrangements with related parties, referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is enclosed as **Annexure 1** which forms part of this Report.

The Policy on Related Party Transactions approved by the Board can be accessed on the Company website at the linkhttps://www.mcnallybharat.com/assets/pdf/investor/policy/related-party- transaction-policy.pdf

The details of Related Party Transactions are set out in Note no. 27 to the Standalone Financial Statement.

Extract of Annual Return

In accordance with Section 92(3) of the Companies Act, 2013 read with rules made thereunder, the Annual Return of the Company in Form MGT-7 has been placed on the Company website at the link https://www.mcnallybharat.com/assets/pdf/investor/annual-return/Annual%20Return%202023-24.pdf

Vigil Mechanism and Whistleblower Policy

In accordance with Section 177(9) of the Act and rules framed thereunder read with Regulation 22 of the Listing Regulations, the Company has a Whistleblower Policy in place for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

Directors Report *(Contd.)*

The Policy provides for protected disclosures for the Whistleblower. Disclosures can be made through e-mail or letter to the Whistle Officer or to the Chairperson of the Audit Committee. The Whistleblower Policy can be accessed on the Company website at the link https://www.mcnallybharat.com/assets/pdf/investor/policy/MBECL- Whistleblower%20 Policy-Revised%202022.pdf

Prevention of Sexual Harassment at Workplace

The Company has a policy for prevention of sexual harassment at the workplace, which can be accessed on its website at https://www.mcnallybharat.com/assets/pdf/investor/policy/MBECL%20Policy% 20for%20Prevention%20 of%20Sexual%20Harassment%20(UPDATED).pdf In accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and rules made thereunder, the Company has constituted an Internal Complaints Committee (ICC).

During the financial year 2023-24, the ICC did not receive any complaint. The Company has filed necessary returns as required to be filed under the POSH Act.

Subsidiaries, Associates and Joint Ventures

As on 31st March 2024, the Company had only 1 (one)Indian subsidiary company namely, McNally Bharat Equipments Limited and 2 (two) overseas subsidiaries, namely, (i) MBE Mineral Technologies Pte Limited and (ii) MBE Minerals Zambia Limited.

The Company is the Lead Partner in the following 3 (three) Joint Ventures:

- McNally-AML (JV)
- McNally-Trolex (JV)
- McNally-Trolex-Kilburn (JV)

During the year under review, the Board of Directors reviewed applicability of "material subsidiaries" in accordance with Regulation 16 read with Regulation 24 of the Listing Regulations.

Consolidation of Accounts

In accordance with Section 129(3) of the Act, the Company, in respect of the financial year ended 31st March 2024 has prepared, in addition to the Standalone Financial Statements of the Company, Consolidated Financial Statements of the Company and its subsidiaries, which form part of the Annual Report. Further, the report on the performance and financial position of each of the subsidiaries and joint ventures and salient features of their financial statements in the prescribed Form AOC-1 is annexed to the Financial Statements of the Company and hence are not repeated here for the sake of brevity.

Information pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014 regarding financial highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the period under report is given herein-below:

Sl No.	Subsidiary	Business Activities	Turnover	Profit/(Loss)
1	McNally Bharat Equipments Limited	Project management consultant for revamping the existing fluorspar beneficiation plant of Gujarat Mineral Development Corporation Limited at Kadipani.	197.85	6.66
2	MBE Mineral Technologies Pte Limited	There was no business activity during the period under review.	-	-
3	MBE Minerals Zambia Limited	There was no business activity during the period under review.	-	-

Further, in accordance with Section 136 of the Act, the audited Financial Statement including the Consolidated Financial Statement and related information of the Company and audited financial statements of its subsidiaries are available on the website of the Company www.mcnallybharat.com in a downloadable format.

Internal Financial Controls and Risk Management

During the year under review, adequate Internal Control policies relating to the normal operations of the Company were adopted and performed and those necessary under the provisions of IBC commensurate with the size, nature and complexity of the activities of the Company, were also implemented.

Compliance of Internal Financial Controls and Risk Management Systems are given in the Management Discussion & Analysis.

Board Evaluation

In terms of SEBI LODR (Third Amendment) Regulations, 2018, a company undergoing Corporate Insolvency Resolution Process (CIRP) is not required to comply with the requirement of conducting independent evaluation of the Independent Directors. Therefore, since the commencement of CIRP with effect from 29th April 2022 it was not required to conduct the performance evaluation of the Independent Directors of the Company under the provisions of the Regulation 17(10) of SEBI LODR Regulations.

Directors **Report** *(Contd.)*

Further, in accordance with Rule 8(4) of Companies (Accounts) Rules, 2014, the Board of Directors of a company is required to evaluate its own performance and that of its committees and individual directors. However, pursuant to commencement of the CIRP of the Company, the powers of the Board of Directors remained suspended and were exercised by the Interim Resolution Professional or Resolution Professional, as applicable, in accordance with the provisions of the Code. Therefore, pursuant to the provisions of the Companies Act, 2013 and Chapter IV read with the provisions of Schedule II of SEBI LODR Regulations 2015, the Board of Directors of the Company has neither carried out the annual evaluation of its own performance, nor that of the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees during the financial year 2023-24.

Occupational Health & Safety

McNally Bharat Engineering Company Limited is an Occupational Health, Safety & Environment Management System (ISO 45001:2018, ISO 14001: 2015) certified Company with a brief scope of Project Management, Design, Manufacturing, Supply, Construction, Erection & Commissioning of Industrial and Infrastructure Development Projects on Turnkey Basis and Construction of Industrial and Infrastructure Development Projects.

The Company is committed for Occupational Health, Safety & Environment (OHS&E) organisation and capable of meeting the national or international OHS&E requirements. In line with the said OHS&E requirement, the organisation has a consolidated OHS&E Management System Manual with risk assessment, legal requirement review, periodic audit, training, inspection, incident reporting or investigation and other operational procedures to ensure OHS&E compliance at the Company's projects and O&M sites.

The Company has devised a system to regularly update the 'Daily OH&S Message' via email to all employees to build awareness on OH&S requirements in its workplace. There is a common sharing in-house intranet webpage (MBE Bridge) which contain OHS&E policy, manual, different operational control procedures, checklists, rewards/certificates and training models for employees to access.

During the year, the Company focused on Employee 'Health & Safety' awareness training through online or offline mode and conducted many online training on Hazard Identification & Risk Assessment (HIRA), Behavior Based Safety (BBS), Process Safety Management (PSM), Product Safety Management (Prod.SM), Contractor Safety Management (CSM) and Industrial Best Safety Practices, apart from the regular training module.

The Company strives towards for achieving 'Zero Fatality or Environmental Harm' and in order to bring it into reality, had set target to reduce Total Reportable Incident Rate (ie: TRIR) which was 0.76 (financial year 2012-13) down to 0.136 (financial year 2023-24). Severity Rate and Frequency Rates are as low as 0.546 and 0.136 respectively. Such low incident rate in an EPC company shows a sustainable improvement in Occupational Health, Safety & Environment Management System compared to other EPC firms in India.

McNally Bharat Engineering Company Limited had taken many preventive measures on the spread of COVID-19 at office and jobsites, so as to control coronavirus infection among employees and service partners.

Initiatives like restrictions in duty hours, social distancing, thermal checking, wearing of 3-layer nose mask & hand sanitization etc. followed along with state/central protocols related to COVID-19. Besides, periodical office sanitization, vaccination to all employees and rapid testing to all site based employees were highly appreciated by many customers. Furthermore, since 2020-21 the organisation has absorbed the COVID-related protocols into its day-to-day functioning and therefore continues to practice the preventive measures in the best interest of its employees and customers.

During the financial year 2023-24, running sites who achieved Loss Time Incident (LTI) free Man-hours are as follows: OCPL site 11.7 million, KMPCL site 17.8 million, Kawai Adani power (O&M) 3.8 million, Adani PKEB mines 4.6 million, Coal India Ltd. sites (ie; MCL-Sardega, SECL-Chhal, SECL-Dipka & SECL-Baroud sites) and HMEL-Bhatinda crossed more than 1 million.

Awards and Recognition

In recognition of Company's excellence in Safety Measures at Project sites, eminent customers/clients namely, Bharat Petroleum Corporation Limited (BPCL), NTPC Limited, West Bengal Power Development Corporation Limited (WBPDCL), Tata Power Limited (TPL), HPCL-Mittal Energy Limited (HMEL), Hindustan Zinc Limited (HZL, Vedanta Group) and Coal India Limited (CIL) had conferred 'Merit Certificate' or 'Certificate of Appreciation'.

The Company successfully maintained LTI (Loss Time Injury) free records at prestigious project sites, notably, Zawar Mines (ZM), Sindesar Khurd Mine (SK Mine) & Rampura Agucha Mine (RAM) of Hindustan Zinc Ltd, Delhi Metro Rail Corporation (DMRC)-Kochi, Directorate General for Married Accommodation Project (DGMAP) (Udhampur and Srinagar), Chennai Petroleum Corporation Limited (CPCL)-Chennai, Adani Infrastructure Management Services Ltd. (Rajasthan), Adani Enterprises Limited (Chhattisgarh), Odisha Coal and Power Limited (OCPL) and Andhra Pradesh Power Generation Corporation Limited (APGENCO).

Directors Report *(Contd.)*

The Company won 5-Star rating on Safety Management System Audit at HMEL Bhatinda (Coal Handling System- O&M) site for Best Safety Performance.

The Company was also conferred upon national and international awards for Best Safety Performance at Project sites which underline a robust and sustainable occupational health & safety culture within the organization:

Project Sites	Award	Year	Awarded by
NTPC Bongaigaon (Coal, Lime & Gypsum Handling Package) NTPC Limited	National Safety Award (Mines)	2012	Ministry of Labour & Employment, Government of India.
ACC Jamul (Cement Plant) ACC Limited	National Safety Award (Mines)	2015	Ministry of Labour & Employment, Government of India
TPL Kalinganagar (3x67.5MW Gas Based Thermal Power Plant Project) Tata Projects Limited	National Safety Award (Mines)	2014	Ministry of Labour & Employment, Government of India
IISCO Burnpur, (RHMS, By Product & Water Package), Steel Authority of India Limited	RoSPA Health & Safety Awards	2013	The Royal Society for the Prevention of Accidents, UK
Rourkela Steel Plant (Stock house, new CHP & Inter Plant), Steel Authority of India Limited	RoSPA Health & Safety Awards	2013	The Royal Society for the Prevention of Accidents, UK
Balance of Plant (BOP), Satpura Thermal Power Station, Madhya Pradesh Power Generation Company Limited (MPPGCL).	RoSPA Health & Safety Awards	2014	The Royal Society for the Prevention of Accidents, UK
2x500MW Sagardighi Thermal Power Plant, CHP, Phase#2, West Bengal Power Development Corporation Limited (PDCL)	RoSPA Health & Safety Awards	2014	The Royal Society for the Prevention of Accidents, UK

Significant and material orders

During the financial year 2023-24, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future. No change has taken place in the nature of business of the Company during the year under review.

Material changes and commitments

There has been no material changes and major commitments by or on behalf of the Company since the last date of the financial year till the date of this Report.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with sub-rule(2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and form part of this Report.

Cautionary Statement

Risks, uncertainties or future actions could differ materially from those expressed in the Directors' Report and the Management Discussion and Analysis. These statements are relevant on the date of this report. We have no obligation to update or revise these statements, whether as a result of new information, future developments or otherwise. Therefore, undue reliance should not be placed on these statements.

Acknowledgment

The Board takes this opportunity to thank all employees for their commitment, dedication and co-operation. The Board would also like to thank all the customers, investors including Banks and other business associates who have extended valuable support and encouragement.

For **McNally Bharat Engineering Company Limited**
Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

Asim Kumar Barman
DIN: 02373956
Chairman, Audit Committee

5th June 2024
Kolkata.

Directors **Report** *(Contd.)*

Details of Remuneration of Managerial Personnel pursuant to Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Report u/s 134 of the Companies Act 2013, for the financial year ended 31st March 2024

(I) List of top ten employees of the Company in terms of remuneration:

Sl. No	Name of the Employee	Age (Year)	Designation/Nature of duties	Gross Remuneration (Rs. in Lakh)	Qualification(s)	Experience (in years)	Date of Commencement of Employment	Particulars of previous employment
1	Mr. Srinivash Singh	78	Chief Executive Officer	127.72	CWA, CS, LLB	59	14-Dec-16	Furnace Fabrica India Limited
2	Mr. Sukalyan Sarkar	50	Senior Vice President, SCM	52.54	B.E.(Mechanical), GDMM, MBA	28	08-Mar-21	JP Steel Plantech Private Limited
3	Ms. Indrani Ray	53	Company Secretary.	38.21	B.Com., CA, CS	31	07-Dec-21	EIH Limited, The Oberoi Group
4	Mr. Pradyuman Baidya	60	Chief Finance Officer.	36.30	B.Com., CA	34	30-Sep-09	Simplex Infrastructure Ltd.
5	Mr. Sanjay Kumar Choudhary	57	Vice President.Projects	33.43	B.Sc(Engg)-Mechanical	35	11-Apr-13	SRMB SrijanLtd
6	Mr. Rabindranath Roy	58	President Construction	30.92	B.E. (Civil)	34	03-Apr-17	Furnace Fabrica India Limited
7	Mr. Suchandan Ghosh	55	Gr Head - SR General Manager. Quality Assurance & Inspection	29.79	B.E-Mechanical	33	29-Sep-01	Vikrant Alloys
8	Mr. Pulak Kumar Tarafder	66	Group Head.IT	27.32	M.Tech. - Computer Science	40	11-Apr-18	TIL Limited
9	Mr. Arindam Sarkar	70	President Engineering & Construction	27.29	B.E.-Civil	49	Apr-2017	Furnace Fabrica India Limited
10	Mr. Ajay Kumar Saha	58	Associate Vice President.	25.43	LLB	26	17-Feb-21	Shyam Metalic Grouup

Directors Report *(Contd.)*

(II) Statement showing names of employees who are in receipt of remuneration Rs. 1.02 Crore or more, if employed throughout the year or Rs. 8.5 Lakh or more per month, if employed for part of the financial year.

Sl. No.	Name of the Employee	Age (Yrs)	Designation/Nature of duties	Gross Remu-neration (₹ in Lakh)	Qualification(s)	Experience (in years)	Date of Commencement of Employment	Last Employment held
1	Srinivash Singh	78	Chief Executive Officer	127.72	CWA, CS , LLB	59	14-Dec-16	Furnace Fabrica India Limited

Notes

1. Mr.Srinivash Singh resigned from the post of Chief Executive Officer on 30th October 2023.
2 Mr.Rabindranath Roy resigned from the post of President Construction on 2nd November 2023
3. Mr.Arindam Sarkar resigned from the post of Associate General Manager.Construction on 3rd November 2023
4. Mr.Ajay Kumar Saha resigned from the post of Associate Vice President. on 15th February 2023
5. No employee listed above is related to any Director of the Company.
6. No employee listed above holds by himself/herself or alonwith his/her spouse and dependent children 2% or more of the Equity Shares of the Company.

For **McNally Bharat Engineering Company Limited**

Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

Asim Kumar Barman
DIN: 02373956
Chairman, Audit Committee

5th June 2024
Kolkata.

Directors **Report** *(Contd.)*

Annexure 1

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

There were no contracts or arrangements or transaction entered into during the year ended 31st March 2024 which were not on arm's length basis.

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

Sl No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts	Salient terms of the contracts or arrangements or transactions including the value:	Date of approval by the Board:	Advance from Customers: Rs. In Lakhs
1	McNally AML (JV) Dipka	South Eastern Coalfields Limited has awarded a contract to McNally-AML (JV) at Dipka, Chattisgarh, monetary value of Rs. 179 Crore plus applicable GST. McNally Bharat Engineering Company Limited (MBECL) is 98% shareholder in the said Joint Venture. The JV shall place the order to MBECL at Rs. 175.42 Crore which is 2% below the contract awarded by South Eastern Coalfields Limited. The Contract has to be executed on back to back basis by MBECL.	24 Months	The Company is a lead partner, having 98% participation share in the Joint Venture.	14-Aug-21	-
2	McNally AML (JV) Ananta	Mahanandi Coalfields Limited has awarded a contract to McNally-AML (JV) at Ananta, at Jagannath Area of Talcher Coalfields, monetary value of Rs.236 Crore plus applicable GST. MBECL is 97% shareholder in the said Joint Venture. The JV shall place the order to MBECL at Rs. 231.28 Crore which is 2% below the contract awarded by Mahanandi Coalfields Limited. The Contract has to be executed on back to back basis by MBECL.	15 Months	The Company is a lead partner, having 97% participation share in the Joint Venture.	14-Aug-21	753.38
3	McNally Trolex (JV) Chhal	South Eastern Coalfields Limited has awarded a contract to McNally-Trolex (JV) at Chhal, Chhattisgarh, monetary value of Rs. 147 Crore plus applicable GST. MBECL is 96% shareholder in the said Joint Venture. The JV shall place the order to MBECL at Rs. 144.06 Crore which is 2% below the contract awarded by South Eastern Coalfields Limited. The Contract has to be executed on back to back basis by MBECL.	24 Months	The Company is a lead partner, having 96% participation share in the Joint Venture.	14-Aug-21	462.08

Directors Report *(Contd.)*

Sl No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts	Salient terms of the contracts or arrangements or transactions including the value:	Date of approval by the Board:	Advance from Customers: Rs. In Lakhs
4	McNally Trolex (JV) Baroud	South Eastern Coalfields Limited has awarded a contract to McNally- Trolex(JV) at Baroud, Raigarh Area, monetary value of Rs. 183.5 Crore plus applicable GST. MBECL is 97% shareholder in the said Joint Venture. The JV shall place the order to MBECL at Rs. 179.83 Crore which is 2% below the contract awarded by South Eastern Coalfields Limited. The Contract has to be executed on back to back basis by MBECL.	24 Months	The Company is a lead partner, having 97% participation share in the Joint Venture.	14-Aug-21	-
5	McNally Trolex Kilburn (JV) Sardega	Mahanandi Coalfields Limited has awarded a contract to McNally-Trolex-Kilburn (JV) at Sardega, Mahalaxmi Area, monetary value of Rs. 264.14 Crore plus applicable GST. MBECL is 80% shareholder in the said Joint Venture. The JV shall place the order to MBECL at Rs. 258.86 Crore which is 2% below the contract awarded by Mahanandi Coalfields Limited. The Contract has to be executed on back to back basis by MBECL.	15 Months	The Company is a lead partner, having 80% participation share in the Joint Venture.	14-Aug-21	303.14
6	McNally Bharat Equipments Limited	Gujarat Mineral Developments Corporation Limited (GMDC) has awarded a contract to McNally Bharat Equipments Limited as project management consultant for revamping Gujarat Mineral Developments Corporation Limited (GMDC)'s existing fluorspar beneficiation plant at Kadipani. Scope of work – Back Office Engineering, Site supervision support, Procurement support for new equipment & accessories, Estimated project value is Rs in 3.91 Cr.	12 Months	The Company is a lead partner, having 90% participation share in the Consortium Agreement with McNally Bharat Equipments Limited	12-Nov-22	-

For **McNally Bharat Engineering Company Limited**

Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

Asim Kumar Barman
DIN: 02373956
Chairman, Audit Committee

5th June 2024
Kolkata.

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Last year the world witnessed instability in supply chain due to war raged in Ukraine and then in the Gaza strip. World is witnessing recessions in EU and Japan which is impacting the world markets. India has a strong exposure mainly in IT sector. However, despite the challenges, Indian markets have shown resilience and rather strong growth.

This year marks the year of elections, not only in India but globally. 72 countries are going to polls this year including US, Britain, South Africa, Russia and Finland. With the political power centers shifting, predicting results for global impact is quite impossible. 49% of the world will go to polls over the year. India shall know the results in June-2024.

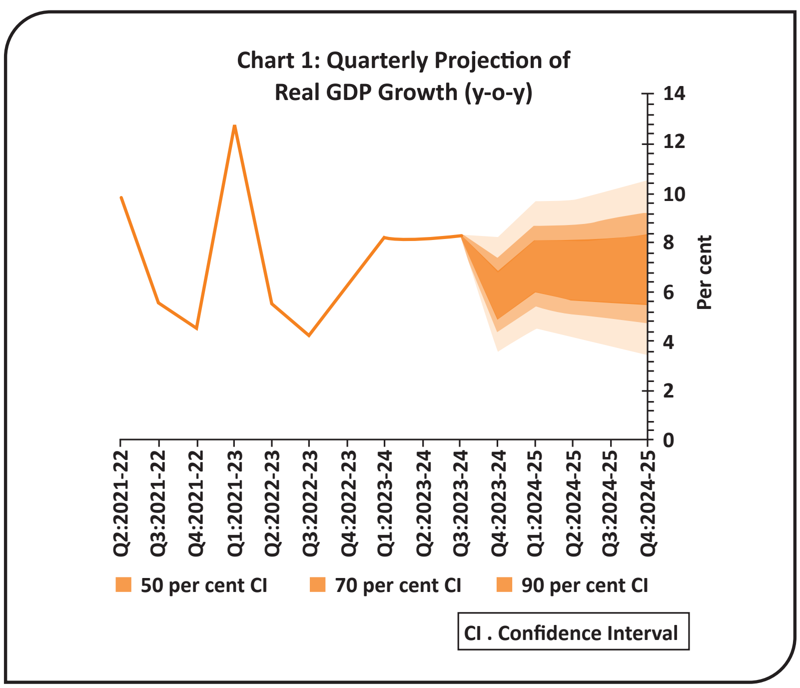


Chart 1: Quarterly Projection of Real GDP Growth (y-o-y)

Management Discussion and Analysis Report

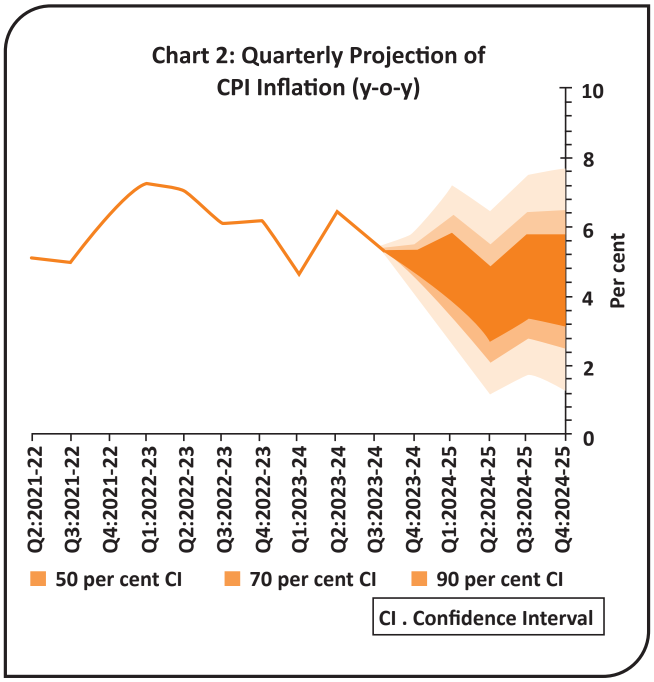


Figure 1:Source RBI Bulletin FY 24-25

Various high frequency indicators prove that the global economy has remained resilient with a stable outlook. 2024 should have a strong trade growth, although below its historical average. Inflation targets are within control but the last mile of disinflation may go outside the expected standard deviation limits. With tight labour markets, services inflation in advanced economies remains sticky. As a precursor of this factor, central banks are cautious thus tempering market expectations about the timing and magnitude of interest rate cuts later during this year. Bond yields and US dollar have remained volatile while equity markets have gained this year. The overall outlook is challenged by high public debt burden, continuing geopolitical conflicts & disruptions in trade routes.

Fixed investment has fuelled domestic economic activity to expand at an accelerated pace. Real GDP growth is placed at 7.6 per cent for 2023-24, the third successive year of 7 per cent or higher growth.

The Company expects a vibrant economy and number of tenders to be released after the elections end in June 2024.

COMPETITIVE ADVANTAGE, STRENGHTS, WEAKNESS OPPORTUNITY AND THREAT

Competitive Advantage:

1. **Technology & Intellectual Property** – In sectors like Bulk Material handling, mineral beneficiation and ash handling, the Company has its own technology in terms of basic and detail design. In sectors like Steel, Cement, Ports and Power plants, Company works with technology suppliers and has in-house capability to scale up for handling large expansions and green field projects.

2. **Culture**- This Company has been one of the great places to work for employees in Eastern India. The organisational culture gives an environment to intellectuals and professionals enabling their minds to grow and create. It has a history of creating innovative products in the bulk material handling, mining equipment and mineral processing areas, made possible by its strong human capital synergy. It has been in the construction sector, but driven by technology and engineering, where young engineers are given freedom to learn and grow.

3. **Innovation & Technology absorption**- This Company has its own proprietary designs for equipment and for process. It has more than 55 years of experience in manufacturing various mining, port handling, cement mill machinery and processing equipment and has manufactured many stacker reclaimers, bucket wheel excavators, spreaders etc. It indigenized the port cranes and mining equipment, dropping the costs in the country by 50% for these equipment from those imported and designed abroad. In recent coal handling projects, the Company once again exhibited this power by designing and supplying centre discharge paddle feeders for Coal bunkers, both with hydraulic and electric drives. It is working on scaling up its capacity of stacker reclaimers and wagon tipplers.

4. **Project References & project management** – The Company's long presence in executing projects more than 500 nos. most of which are in record time brings in customers confidence. This Company has a strong project management team and processes. It has developed its in-house method of agile execution and pre- and post tender project risk management system.

5. **Operation and Maintenance**- The Company has been making sustained profits in this business segment and has satisfied customers in this segment. A huge scope to scale up this segment stays with the organization.

Strengths:

1. **Resource Mobilization -** Ability to deploy resources all over India to execute large scale projects in sectors like power, steel, cement etc. with multidisciplinary engineers, supervising personnel and highly skilled or semi-skilled workmen.

2. **Supply Chain Partners & Vendor Development -** Large vendor base for construction material and equipment supply for last few decades working as partners. Even in the financially constrained times, these partners have stayed with this Company and since last 6 decades of its

Management Discussion and Analysis Report *(Contd.)*

existence, such partners have been created through a strong vendor development process. The Company has a strong vendor development process in place.

3. **Quality & Safety -** In house NABL accredited QA laboratory and a QA/QC department with highly qualified and experience engineers. It has its in-house Quality assurance and safety teams.

4. **Arbitration claims -** The Company being an EPC has no physical assets but arbitration claims remain as a contingent asset at various stages.

Weakness:

1. The Company is unable to bid in tenders as the approved Resolution Plan is yet to be implemented and the Company does not have the requisite working capital facilities. Many tenders are restricting companies in NCLT proceedings to participate.

2. The Company has lost some good talent during the last 4-5 years of financial stress.

Threats:

The Company entered IBC on 29th April 2022. This was a threat to the survival of the Company. However, a fast and agile resolution professional team with help of lenders has enabled it to overcome this threat and hopes for a resolution through NCLT as a going concern within this financial year.

Opportunities:

1. The Company offers an open playing field as most of its competitors are weak or vanquished with a handful of players in EPC market space.

2. Huge infrastructure growth in India is expected where the Company shall play a major role as an engineering and technology house.

3. Most companies in NCLT do not have live project references. This Company has just completed ₹ 1100 Cr. CHP projects which shall be a basis to bid in more than Rs. 8000 Cr. projects expected to be floated in the coming years.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company is engaged in turnkey projects in core sector and related manufacturing activities. With the financial stress that it faced in the last 6 years, it has dissolved strategic business units and restructured into departments. The various segment-wise outlook is given below:

Bulk Material Handling

This Company secured Rs. 1100 Cr. orders in 2021 and has an order backlog of Rs. 600 Cr. from 5 coal handling plant projects at SECL and MCL. While it has successfully commissioned plants in SECL, some of these are expected to be completed by this financial year. These projects have 5 O&M contracts over next 5 years.

Steel

With 120 Million Tons production, India is second largest producer of crude steel in the world. A recent report by PTI (PTI, 2022), highlights how technology in washing minerals will be critical for making the country self-reliant. This Company has technology in coal washeries and this shall be a critical area in the coming fiscal. The Company helps clients to optimize their yield in these plants and extract lost ore from tailings. The Central Public Sector Enterprises (CPSE) will add 18 Million Tonnes while Private sector will add 95 Million Tonnes the report says. JSW is adding 14.8 Mil T in Dolvi (Maharastra), Vijaynagar and Jharsuguda. Tata Steel is adding 5 Mil T in Kalinganagar, JSPL is adding 6 Mil T in Angul. Most of these expect commissioning by 2024. Tata Steel will be 25 Mil T after its Kalinganagr expansion and wants to become 40 Mil T by 2030, JSW wants to become 50 Mil T by 2030. JSPL aims at 50 Mil T by 2030. With its experience in Sinter Plant, Raw Material handling, Coke Oven By Product Plant etc, the Company can cater to this expansion.

Cement

This Company is the only company to have executed a EPC project in cement sector for ACC Jamul now under the Adani Group. JSW has a plan to invest Rs. 3200 Cr. Birla corp wants to expand to 30 Mil T from 20 Mil T with a capital layout of Rs. 2700 Cr. The Company is poised to participate in turnkey projects and exhibit execution in record time for its select customers. It shall be a strategic priority sector along with steel.

Ports

Ports have been growing silently in India. Currently 12 major ports operate in India handling 720 MT traffic. The capacity of major ports have doubled since 2014 till date. The PPP mode is gearing up with the Government having a plan for 44 projects in the pipeline with an investment of ₹22,900 Crs.

Power

This Company has executed several balance of plant (BOP) projects and expects to execute work in building captive power plants of major steel plant players. With its BOP experience it can build coal handling, ash handling, switchyards, utilities etc. except Boiler and Turbine generator for power plants. It has also built a 100 MW solar power plant in the green energy sector which has been commissioned and is under operation and maintenance since last 3 years. It shall be expecting to win orders in this sector too.

Management Discussion and Analysis Report *(Contd.)*

Operation and Maintenance

This is a major silver lining for the Company and the team shall be empowered from the present 180 team strength to 300+ over next fiscal catering to present customers and new customers in Power, Steel, Port and Cement sectors.

Design & Engineering Services

The backbone of this Company has always been the in-house design and engineering strength. However, till now the Company has not seen this as a separate business unit. With the Company entering NCLT, and no bank guarantees to participate in EPC tenders, it took an unorthodox stance. The Company participated in engineering tenders and won two orders from GMDC and MCL Bharatpur for design and engineering services. This has supported the Company to offset its fixed overheads.

OUTLOOK & BUSINESS STRATEGY:

The Company tried restructuring outside NCLT but a claim from an international arbitration forced the lenders to admit the Company to NCLT on April 29th 2022. Mr. Anuj Jain was appointed as the Interim Resolution Professional to restructure the debt through NCLT. Thereafter, the Resolution Professional Mr. Ravi Sethia and team invited expression of interest and 17 resolution applicants showed interest. In Dec-2022, 4 of them submitted independent Resolution Plans to bid for the Company thorough NCLT. The Resolution Plan submitted by BTL EPC Limited of Shrachi Group was approved by the Committee of Creditors and won the bid for McNally Bharat. The Hon'ble NCLT, Kolkata Bench, approved the Resolution Plan of BTL EPC Limited vide Order dated 19th December 2023. The Monitoring Committee was duly formed with Mr. Ravi Sethia, as its Chairman.

Company has relooked at its business strategy and is trying to align its strategic priorities as follows:

- Company has successfully commissioned 3 of 5 Coal India projects won in Joint Venture (JV) companies at Dipka, Chaal, Baroud, Sardega and Ananta and mobilizing O&M teams for these 5 contracts.
- Close the old legacy projects: Finishing old projects will keep customer confidence for having the Company as a trusted partner and EPC contractor.
- Infuse new talent with a revived company face: Attrition in the Company is high and to control it, is the top priority. A database of talented employees who left the Company during the financial crisis is being updated so that as soon as the resolution process finishes, they can be on-boarded. Also as skill in the core sector is rare, recruiting partners have been engaged to spot talent in segments where the Company operates.
- Create confidence in the mind of lenders by speedy completion of the projects and safeguarding guarantees and investments of the lenders.
- With a free playing ground in the EPC space and few competitors having capabilities of Engineering, Procurement and Construction management under one roof, this Company is at an advantageous position. Even after entering NCLT, this Company received orders from TATA Cummins for a Warehouse Civil works project, Gujarat Mineral Development Corporation (GMDC) for a mineral beneficiation of fluorspar project, Coal handling conveyor project from MCL Bharatpur, Civil works project from Coke Oven, Pellet Plant, DRI, CRM and Grinding Unit from JSP Group. This is a strong sign of lack of capability of design and execution under one roof the benefits of which the new acquirer will reap and, has prudently evaluated.
- The major focus of the Company shall be in Design to commissioning of integrated steel plants, Cement Plants, Coal Washeries, Port projects and Design and Engineering services for Power, steel, cement, port and beneficiation sectors.
- One of its strategic priorities shall be to rebuild its mining equipment segment prowess in stacker reclaimers, bucket wheel excavators, wagon tipplers, barge unloaders etc. where the country is in need for competent suppliers and technology houses.

STRATEGY & RESILIENCE IN VIEW OF COVID-19, WAR DISRUPTIONS AND FORTHCOMING WAVES

The Company's operation is majorly concentrated in Odisha and Chattisgarh, but projects in other states pan India is still operating. It will still operate majorly in these states for the coming year.

RISKS & CONCERNS AND RISK MANAGEMENT

Over the next few years, the supplier risk management shall be made robust and the lost credit line, tried to be regained.

The risk management system architecture covers from initiation of tender, bid decision and transfer of the risks envisaged to the project execution team. For the other operational and fraud risk control the Internal Audit team has already commenced the process last year and its integration with the Enterprise Risk Management (ERM) is underway.

As an improvement of the risk management system, supply chain risk has been developed in further detail. This coupled with the Oracle Cloud Infrastructure (OCI) Analytics Solutions to capture macro risks like commodity price variations, WPI Indices which impact our projects can be a great asset and intellectual property for the Company. This

Management Discussion and Analysis Report *(Contd.)*

digital transformation to the Cloud opens opportunities to create value with data enabled solutions and also increasing operational efficiencies by monitoring the Key Performance Indices (KPIs) of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a detailed well spelt internal control system in place to ensure that all financial, commercial and legal transactions are fully authorized, recorded and correctly reported. The Audit Committee of the Board of Directors, chaired by an experienced Independent Director, reviews the adequacy of the Internal Control System. The Company's Internal Audit Department is in charge for periodically carrying out detailed audit of the transactions of the Company at various project sites, manufacturing locations and offices in order to ensure that recording and reporting are adequate and as per the policy of the Company. The Internal Auditors periodically physically verify the Company's assets and ensure that there is no unauthorized usage. The assets are kept in proper conditions and are covered under adequate insurance.

Business strategy of the organization has guided the formation of the Enterprise Risk Management (ERM) for the Company. The process started two years back and is under implementation. Considering the flexibility and execution requirements for a projects driven company the system is being continuously revaluated to establish a robust system. The focus will now work as a partner to major expansions in the core sector for clients and hence the EPC outlook to minimize cost will be replaced by an outlook to add value with time saving and environment friendly solutions.

The risks are broadly categorized into Strategic, Operational, Financial (Compliance & Reporting) & Hazardous Risks. The components of Enterprise Risk Management include:

a) Entity level controls

b) Process Risks & Controls

- ✓ Internal controls over financial reporting
- ✓ Operational controls
- ✓ Fraud risk controls

c) IT General Controls

Entity level & IT General controls are being followed as per standard practice of EPC business.

For the rest of the components, the Implementation of ERM is divided into phases as below:

Phase I: Implementation of Internal controls over financial reporting

Phase II: Implementation of operational & fraud risk controls

The Companies Act, 2013 mandated Indian Companies to implement internal controls over financial reporting effective from 01st April 2018. The management has documented all key finance and business processes impacting financial reporting, tested the key controls for adequacy and operating effectiveness during the financial year 2023-24.

Since majority of the business is in Projects, a project risk management framework has been implemented in the ERP and being monitored periodically for all new projects on the ERP. The risk framework captures Strategic, Operational, Financial and Hazardous risks. This is supported by an issue management interface.

FINANCIAL AND OPERATING PERFORMANCE:

The details of financial performance with respect to operational performance have been provided in the Report under section 134 of the Companies Act, 2013.

Major projects executed during the financial year include:

- Coal Handling Plant for 3x250 MW TPS at Bongaigaon of NTPC – B020
- Coal Handling Plant for 1x500 MW TPS at Vindyachal of NTPC – PM08
- Ash Handling Plant for 2x660 MW at Mouda (Stage II) of NTPC – A374
- Ash Handling Plant for 3x800 MW at Kudgi of NTPC – A377
- Ash Handling Plant for 2x250 MW at Bhavnagar of M/s. BECL – A369
- Limestone Milling and Conveying System for 2x250 MW at Bhavnagar of M/s. BECL – A370
- Water Pre-Treatment Plant Package for Barh Super Thermal Power Project Stage –II(2X660 MW) – W013
- CW & Make up Water Package for 2x600 MW at Nabinagar of NPGC – W024
- RMHS Project for 3.0 MTPY Steel Plant of M/s NMDC at Nagarnar – P039
- By-Product Plant at Bhilai for BSP, SAIL – S011
- 8MTPA capacity CHP at Manoharpur, Odisha for OCPL – MM02
- Survey, preparation of system, fault diagnosis of old CHP/RLS Plant of Bharatpur OCP – PM10
- Civil Works for warehouse – N017
- Civil Works for canteen – N018
- Residential Accommodations for DGMAP at Jammu and Udaipur – T007 & T008

Management Discussion and Analysis Report *(Contd.)*

Major O&M Projects under execution by the Company include:

Name of the Client	State	Project details
HPCL Mittal Energy Limited	Punjab	Operation & Maintenance of all the Mechanical, Electrical & C & I part along with Hydraulic Systems of Crusher, Conveyors, Idlers, Pulleys, Stackers Cum Reclaimer, Truck Loader System etc. It also includes cleaning and housekeeping of all the said equipment related area under battery limit.
KSK Mahanadi Power Company Limited	Chhattisgarh	Round the clock service of Operation & Maintenance of CHP of 3 Units of 6 x 600 MW KSK Mahanadi Power Company Limited Thermal Power Plant at Nariyana.
Jindal Stainless Limited	Odisha	Operation and Maintenance of all the Mechanical, Electrical and C & I part of Bottom Ash System, Economizer, ESP hopper, RCC storage Silo and LP, HP and Ash water recovery pump house, including ash conveying and housekeeping. The work involves conveying of fly ash from ESP & APH hoppers through DCS system to SILO while ensuring eco ash through eco de-ashing system and bottom ash through bottom ash conveying system.
Adani Infrastructure Management Services Ltd (Kawai)	Rajasthan	Productivity Linked Performance Based (PLPBC) Contract for complete Operation and Maintenance (Mechanical, Electrical & C&I) of Coal Handling Plant and its Equipment for 2 x 660 MW Adani Kawai Thermal Power Plant.
Adani Enterprises Ltd (Mines).	Chhattisgarh	Operation and maintenance of Coke Handling System through Belt Conveyor system, PLC system control room operation work, Truck loading system for dispatch of Pet Coke, Silo system for Rail loading operation. Stacker Reclaimer operation work, Pet coke Stock pile Maintenance, Maintenance of Conveyor belt, Pulley, Stacker, Maintenance of Electrical & Instrumentation system.
Adani Infrastructure Management Services Limited (Tiroda Growth Centre)	Maharashtra	Maintenance service of Coal Handling Plant (CHP) and Equipment for 5 x 660 MW Tiroda Thermal Power Plant, Adani Power Limited.
Andhra Pradesh Power Generation Corporation Limited	Andhra Pradesh	Operation and Maintenance of all the Civil, Electrical and C & I Solar plant. It also includes Grass cutting & Tree cutting, SPV Module washing, MMS Table Tilting, Inverter Maintenance, Transformer Maintenance, Batteries & UPS Maintenance, HT Switch Board Maintenance, ICR/MCR/Street light maintenance and Fire Extinguisher refilling and other related other work.
Odisha Coal and Power Limited,	Odisha	Complete Operation & Maintenance of the Wagons, loading of coal in wagons through RLS, Operation of main Control Room, Electrical Control Rooms (MCC), Crusher House, storage silos, Conveyors, Coal Sampler cum analyzer etc. Operation & Maintenance of entire belt conveyor system and associated equipment. Removal of chocking of chutes, junction towers, hoppers and coal bunkers etc. Housekeeping. Belt jointing, belt replacement.

DETAILS OF SIGNIFICANT CHANGES (i.e. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS:

Key Financial Ratios	2023-24	2022-23	Change (%)	Reasons
Debt Equity Ratio (Number of times)	(1.38)	(1.53)	(9.54)	NA
Interest Coverage Ratio (Number of times)	(0.06)	(0.28)	(78.56)	NA
Current Ratio (Number of times)	0.24	0.29	(18.01)	NA
Debtors Turnover (Number of times)	0.22	0.27	(16.09)	NA
Inventory Turnover (Number of times)	299.86	189.84	57.96	During the year the level of inventory has decreased.
Operating Profit Margin (%)	(0.30)	(2.35)	(87.42)	NA
Net Profit Margin (%)	(5.27)	(10.83)	(51.36)	Decrease in losses resulted in to improving the ratio
Return on Net Worth (%)	#	#	-	NA

Not calculated as Net worth of the Company is eroded.

Management Discussion and Analysis Report *(Contd.)*

DISCLOSURE OF ACCOUNTING TREATMENT:

The Board's Report and the financial statements contain necessary disclosure of accounting treatment, if any, different from that prescribed in Accounting Standards and management's explanation regarding adoption of such treatment.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company firmly believes that its greatest strength lies in its Human Resources. The organization has been increasingly emphasizing on development of knowledge and skills of its employees to align with the changing business scenario. The organization offers a congenial work environment cutting across hierarchy and diverse work groups to foster a healthy work culture.

In terms of employee care, the organization provides benefits and allowances which are in keeping with market trends. The Company also provides comprehensive insurance coverage for employees to take care of medical exigencies and unforeseen situations. The Company is continuing with its organizational transformation initiatives with a key focus on restructuring to become a more agile and robust organization. Employee relations remained cordial throughout 2023-24. As on 31st March 2024 number of permanent employees of the Company was 253.

Industrial relations during the year have been cordial.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Industry information contained in this Report, have been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.

For **McNally Bharat Engineering Company Limited**

Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

Asim Kumar Barman
DIN: 02373956
Chairman, Audit Committee

5th June 2024
Kolkata.

Disclaimer : The Report was presented to the erstwhile resolution professional (RP) and/or the chairperson of the Monitoring Committee. However, the erstwhile RP has not independently verified the contents of this report. Therefore, the erstwhile RP cannot endorse or verify the accuracy of the information contained herein.

Report on Corporate Governance

1. **The Company's philosophy on Code of Governance**

The Company's philosophy on governance is documented in the "Vision Statement", which is the fundamental code of conduct for the Company and in its "Mission Statement".

The texts of the "Vision Statement" and the "Mission Statement" appear on page no. 3 of this Annual Report.

The Board of Directors of the Company (the "Board") is at the core of the our corporate governance practice and oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure healthy standards of Corporate Governance. However, a company undergoing Corporate Insolvency Resolution Process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 ("Code/ IBC") is exempted from the requirements of, inter alia, balanced composition of Board of Directors, constitution, meetings and terms of reference of the Board committees, namely, the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as otherwise required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR Regulations, 2015"). Further, the role and responsibilities of the Board of Directors as specified under Regulation 17 of the SEBI LODR Regulations are required to be fulfilled by the Interim Resolution Professional ("IRP") or Resolution Professional ("RP"), as the case may be.

This is to apprise the Members that McNally Bharat Engineering Company Limited has been under Corporate Insolvency Resolution Process which was admitted vide an order passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench dated 29th April 2022 ("CIRP Commencement date") under the provisions of IBC. Pursuant thereto, on the same date the Hon'ble NCLT Kolkata appointed Mr. Anuj Jain as the Interim Resolution Professional ("IRP") who, in his capacity, assumed control of the management

Report on Corporate Governance

and operations of the Company with effect from 29th April 2022. Subsequently, the Hon'ble NCLT Kolkata vide Order dated 26th August 2022 appointed Mr. Ravi Sethia (IP Registration No. IBBI/IPA-001/IP-P01305/2018-2019/12052) as Resolution Professional ("RP") in place of Mr. Anuj Jain.

During the Financial Year 2023-24, 4 (four) Prospective Resolution Applicants viz. Amit Metaliks Limited, Nalwa Steel and Power Limited, BTL EPC Limited and Rashmi Metaliks Limited had submitted their Resolution Plans to the Resolution Professional. At the 32nd CoC ("Committee of Creditors") meeting held on 27th July 2023, the Resolution Plan of BTL EPC Limited, the engineering division of Kolkata-based Shrachi Group, was approved by 90.06% voting share, on the criteria of higher Net Present Value.

Subsequently, on 3rd August 2023, the Application for Approval of Resolution Plan under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations") was filed by the Resolution Professional with Hon'ble NCLT Kolkata, which vide Order dated 19th December 2023 (the "Appointed Date") approved the Resolution Plan of BTL EPC Limited (the "Approved Resolution Plan").

In terms of the NCLT Order dated 19th December 2023, a 5-member Monitoring Committee ("MC") was formed with the Resolution Professional and two representatives each from the Committee of Creditors (CoC) and BTL EPC Limited. The Committee held its first meeting on 28th December 2023, nominating Mr. Ravi Sethia (erstwhile Resolution Professional) as the Chairman of the Monitoring Committee. The management and operations of the Company have since been conducted under the supervision and control of the MC. However, the implementation of the Approved Resolution Plan could not be done and the lenders of the Company approached the Hon'ble NCLT to seek appropriate directions and recourse with respect to the Approved Resolution Plan and CIRP of the Company.

Since the Company was under CIRP during the Financial Year 2023-24 up to 19th December 2023, a report on Compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV of the SEBI LODR Regulations, to the extent applicable, is given below:

2. Board of Directors

(a) Board Composition:

Pursuant to the commencement of CIRP effective 29th April 2022, the powers of the Company's Board stood suspended and were executed by the Interim Resolution Professional/ Resolution Professional, as the case may be, in accordance with the provisions of the Code. Further, owing to the on-going CIRP, the Company, in terms of SEBI LODR Regulations 2015, was exempted from complying with Regulation 17 thereof, dealing with the requirement of composition of Board of Directors. Effective 19th December 2023, the Monitoring Committee chaired by Mr. Ravi Sethia, the erstwhile Resolution Professional, has been discharging the functions of the Board.

Normally, the Board of Directors of the Company ("Board") is entrusted with the ultimate responsibility of management, general affairs, directions and performance of the Company and is vested with the requisite powers and authority. The Board members possess varied skills, experience and knowledge for the management of the Company.

As per the Articles of Association, the Board may have maximum 12 Directors. As on 31st March 2024, the composition of the Board was not in compliance with the provisions of Regulation 17 of SEBI LODR Regulations, 2015.

The Company will be sending a communication to the Stock Exchange intimating the current status of implementation of the Resolution Plan in the Company including the reason(s) why the requirement in law could not be met.

(b) Internal Management Meetings/ Board Meetings and Attendance

The suspended Board of Directors and the Resolution Professional met four times during the Financial Year i.e., on 26th May 2023, 10th August 2023, 10th November 2023 and 13th February 2024. All Board Meetings were held through video-conference.

Details of attendance of Directors at the said Board Meetings held during the Financial Year and at the Company's Sixtieth Annual General Meeting together with the number of other directorships and committee memberships held by them are as follows:

Report on Corporate Governance *(Contd.)*

Name	Designation	Category	Attendance		* No. of other directorships held in Indian public limited companies	@No. of Board Committees (other than McNally Bharat Engineering Company Limited)
			Board Meeting	Last AGM		
Mr. Aditya Khaitan DIN – 00023788	Chairman	Non-executive Non-Independent	Nil	No	3	1
Mr. Asim Kumar Barman DIN – 02373956	Director	Non-executive Independent	4	Yes	0	0

* Excludes directorship, if any, in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

@ Only chairmanship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the Listing Regulations.

Note1: Mr. Srinivash Singh, Chief Executive Officer of the Company with effect from 14th December 2022 as nominated by the Committee of Creditors under the Insolvency Code, retired from the services of the Company with effect from 30th October 2023.

Note 2: Mr. Nilotpal Roy (DIN-00087298), Independent Director, resigned from the Company's Board from the close of business hours of 10th August 2023.

Note 3: Ms. Kasturi Roy Choudhury (DIN-06594917), Woman Independent Director, resigned from the Company's Board from the close of business hours of 10th August 2023.

(c) Names of the listed entities where the above persons were Directors and the category of directorship

As per declaration last received from the Directors, following are the details:

Name	Name of the listed company	Category of Directorship
Mr. Aditya Khaitan	Kilburn Engineering Limited	Non-executive Non-Independent
	McLeod Russel India Limited	Managing Director
	Williamson Financial Services Limited	Non-executive Non-Independent
Mr. Asim Kumar Barman	None	Not applicable

(d) Disclosure of relationship between Directors inter-se

None of the Directors are related to any other Director.

(e) Shareholding of Non-executive Directors

None of the Non-executive Directors hold any shares in the Company.

(f) Web-link where details of familiarization programs for Independent Directors is disclosed

There exists a familiarization policy for the Independent Directors to make them aware about the Company and business scenario in which it operates including the roles, rights, responsibilities etc. of the independent directors.

A familiarization program for the Independent Directors is given on the Company website at the weblink https://www.mcnallybharat.com/assets/pdf/investor/policy/familarisation-programme-for-IDs.pdf

(g) Skills/ Expertise/ Competence of the Board of Directors, Selection of new Directors and Board Membership Criteria

Pursuant to commencement of CIRP of the Company, the powers of its Board stood suspended and were exercised by the Interim Resolution Professional or Resolution Professional, as the case may be, in accordance with the provisions of the Code.

Normally, the Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, experience and expertise for the Board as a whole and its individual members with the objective of having a Board with diverse background and experience in business, governance, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Compa-

Report on Corporate Governance *(Contd.)*

ny in today's business environment; understanding of Company's business, experience in dealing with strategic issues and long-term perspectives, maintaining an independent familiarity with the external environment in which the Company operates and especially in the Director's particular field of expertise, educational and professional background, personal accomplishment and geographic, gender, age and ethnic diversity.

The factors enumerated and a matrix setting out the skills/expertise/ competence of the Board of Directors are given below:

(i) Qualification

- Degree holder in relevant disciplines (e.g. management, accountancy, legal, sales, marketing, administration, finance, and Corporate Governance and Engineering industry related disciplines); or
- Recognized specialist.

(ii) Experience

- Experience of management in a diverse organization;
- Experience in accounting and finance, administration, corporate, legal and strategic planning;
- Ability to work effectively with other members of the Board.

(iii) Skills

- Excellent interpersonal, communication and representational skills;
- Leadership skills;
- Extensive team building and management skills;
- Strong influencing and negotiating skills;
- Continuous professional development to refresh knowledge and skills;

(iv) Abilities and Attributes

- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to observe the fundamental code of conduct and the Company's Mission and Vision Statement.

(v) Core skills of the Board

The following is a list of core skills/expertise/competencies mapped with every director of the Company identified by the Board of Directors of the Company as required in the context of the Company's business(es) and sector(s) for the Company to function effectively and those available with the Board:

Core skill/expertise /competencies	Aditya Khaitan	Asim Kumar Barman
Adequate knowledge of the Company's business and the Industry in which the Company operates	√	√
Strategy Acumen	√	√
Financial Skills	√	√
Communication Skills	√	√
Leadership & Management Skills	√	√

(h) Brief profile of Directors who have these expertise and skills

Sl. No.	Name of the Director	Aditya Khaitan
1.	Mr. Aditya Khaitan	Commerce Graduate, Industrialist, Entrepreneur – Expertise in Accounts & Finance, General Management and Strategy. Hails from a renowned family of industrialists having interest in diverse business activities. Has in-depth exposure, experience and expertise in management, production, marketing, corporate finance, restructuring, mergers and acquisitions of corporate entities in diverse industries.
2.	Mr. Asim Kumar Barman	Science Graduate, I.A.S. (Retired) – Expertise in Administration, Power & Environment, Urban Governance, Finance & Accounting and General Management. Retired as Chairman of Damodar Valley Corporation (DVC), held posts of Principal Secretary, Department of Environment and Department of Public Health Engineering (Water Supply & Sanitation), Government of West Bengal, Principal Secretary, Department of Health & Family Welfare.

Report on Corporate Governance *(Contd.)*

(i) Independent Directors

There was only 1 (one) Independent Director on the Company's Board as on 31st March 2024.

Pursuant to the commencement of the CIRP, the powers of the Board stood suspended and were executed by the Interim Resolution Professional or Resolution Professional, as the case may be, in accordance with the provisions of the Code. During the Financial Year, the requirement of appointing independent and woman director under the Companies Act, 2013 and the rules framed thereunder was not maintainable on account of suspension of the powers of the Board. Further, in terms of the SEBI LODR Regulations, a company undergoing CIRP is not required to comply with Regulation 17(1)(a) of the SEBI LODR Regulations dealing with the requirement of appointing a woman director on the Board of a listed company.

The Company will be sending a communication to the Stock Exchange intimating the current status of implementation of the Resolution Plan in the Company including the reason(s) why the requirement in law could not be met.

(j) Confirmation of Compliance with the Codes

To the extent applicable under the given status of the Company, its Directors and members of Senior Management have, as on 31st March 2024 affirmed their compliance with:

- The Company's Code of Conduct, the fundamental code of conduct for its Directors and Employees; ;
- The Company's Code of Conduct for Prevention of Insider Trading in its shares;
- Disclosures relating to all material and financial transactions;
- Annual Disclosure(s) as required under the Code of Conduct of Prevention of Insider Trading.

3. Board Committees

The Board constituted the following Committee of Directors to monitor the activities and to deal with matters within the terms of reference of the Committees:

(i) Audit Committee

(ii) Stakeholders' Relationship Committee

(iii) Nomination and Remuneration Committee

The composition, terms of reference, attendance and other details of these Committees are mentioned in this Report.

(i) Audit Committee

Composition, Meetings and Attendance

Pursuant to commencement of the CIRP, the powers of the Board of Directors stood suspended and were exercised by the Interim Resolution Professional or the Resolution Professional, as applicable, in accordance with the provisions of the Code. Further, in terms of the SEBI LODR Regulations the Company, owing to CIRP, was not required to comply with Regulation 18 thereof dealing with the requirement of constitution, meetings and terms of reference of the Audit Committee.

During the Financial Year 2023-24 the Audit Committee comprised of 3 (three) Board members, viz. Mr. Asim Kumar Barman, Mr. Nilotpal Roy and Ms. Kasturi Roy Choudhury. Mr. Asim Kumar Barman, Chairperson of the Audit Committee, is an Independent Director. Mr. Nilotpal Roy and Ms. Kasturi Roy Choudhury, also Independent Directors, ceased to be members of the Committee w.e.f. the close of business hours of 10th August 2023. As on 31st March 2024, the Committee had only one member.

The quorum for an audit committee meeting is either two members or one third of the members of the committee, whichever is greater, with at least 2 (two) independent directors. The Chairperson and all the members of the Audit Committee were "financially literate" within the meaning of explanation under Regulation 18(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Asim Kumar Barman, IAS (Retired), Chairperson of the erstwhile Audit Committee, possesses expertise in specific functional areas such as accounts & finance, administration & management, power, environment and urban governance. Mr. Nilotpal Roy, M. Tech. (Chemical Engineering), an erstwhile member of the Audit Committee, had expertise in Engineering, Management & Leadership, Business Development and General Administration. Ms. Kasturi Roy Choudhury, B.E.(Electrical), PGDM (IIM-A), DBF (ICFAI), also an erstwhile member of the Audit Committee was experienced in Electrical Engineering, Accounts & Finance, Strategic Planning, Management & Leadership.

During the financial year ended 31st March 2024, the Audit Committee Meetings were held with the Audit Committee Members and Resolution Professional wherein the Company's affairs and financial results were discussed. The Committee met four times during the Financial Year ie. 26th May 2023, 10th August 2023, 10th November 2023 and 13th February 2024. All meetings of the Committee were held through video-conference.

Report on Corporate Governance *(Contd.)*

The attendance of members at the Committee Meetings held during the Financial Year 2023-24 are given below:

Name	No. of Meetings attended
Mr. Asim Kumar Barman, Chairman	4
Mr. Nilotpal Roy	0
Ms. Kasturi Roy Choudhury	2

The Chairman of the Audit Committee was present at the 60th Annual General Meeting held on 31st August 2023.

The Statutory Auditors, Internal Auditor and the Chief Financial Officer attend the Audit Committee Meetings. At the invitation of the Company, representatives from various divisions of the Company also attend the Audit Committee Meetings to respond to queries raised at the meetings.

The Company Secretary acts as the Secretary to the Committee.

Role of Audit Committee

The role of the Audit Committee is in accordance with those specified in Regulation 18(3) read with Part C of Schedule II to the Listing Regulations and Section 177 of the Companies Act, 2013, as amended from time to time. However, since the commencement of CIRP on 29th April 2022, the roles and responsibilities of the Committee were being fulfilled by the then Resolution Professional as allowed under Regulation 15(2B) of the Listing Regulations.

(ii) Stakeholders' Relationship Committee

Composition, Meetings and Attendance

Pursuant to commencement of the CIRP, the powers of the Board of Directors remained suspended and were exercised by the Interim Resolution Professional or the Resolution Professional, as applicable, in accordance with the provisions of the Code. Further, in terms of SEBI LODR Regulations, the Company, owing to CIRP, was exempted from complying with Regulation 20 thereof dealing with the requirements of constitution, meetings and terms of reference of the Stakeholders' Relationship Committee.

During the Financial Year 2023-24, the Stakeholders Relationship Committee ("SRC") comprised of 3 (three) Board members viz. Mr. Asim Kumar Barman, Mr. Nilotpal Roy and Ms. Kasturi Roy Choudhury. Mr. Asim Kumar Barman, Chairperson of the Committee, is an Independent Director. Mr. Nilotpal Roy and Ms. Kasturi Roy Choudhury, also Independent Directors ceased to be members of the Committee w.e.f. the close of business hours of 10th August 2023. As on 31st March 2024, the Committee had only one member.

Ms. Indrani Ray, Company Secretary, who is also the Compliance Officer of the Company, acts as Secretary to the Committee. The quorum for a meeting of SRC is two Directors.

The Committee met only once during the Financial Year 2023-24 ie. on 13th February 2024 with one Committee Member and the Chairman of the Monitoring Committee (erstwhile Resolution Professional) attending the meeting through video-conferencing.

The Chairman of the Stakeholders Relationship Committee was present at the 60th Annual General Meeting held on 31st August 2023.

Role of Stakeholders' Relationship Committee

The terms of reference of the SRC are in accordance with Regulation 20(4) and Part D of Schedule II to the Listing Regulations and Section 178 of the Companies Act, 2013. The Committee monitors the Company's response to investor complaints. The Committee is authorised to approve the Issue of duplicate share certificates in dematerialized form in lieu of those lost or destroyed. However, since the commencement of CIRP on 29th April 2022, roles and responsibilities of the Committee were being fulfilled by the then Resolution Professional as allowed under Regulation 15(2B) of the Listing Regulations.

Pursuant to Regulation 40(2) of the Listing Regulations, the power to approve transfers, transmissions, etc. of shares in the physical form has been delegated to the Share Transfer Agent ("STA") to the extent permissible under the Listing Regulations.

As on 31st March 2024 there were no request pending for dematerialization and no physical transfer remained pending. During the Financial Year 2023-24, no complaint was received from any shareholder and therefore no complaint was pending as on 31st March 2024. During the year under review, the Company received few correspondences from its Shareholders relating to non-receipt of shares sent for transfer, enquiry for dematerialization, split/transmission, change in address etc. No correspondences were pending as on 31st March 2024.

(iii) Nomination and Remuneration Committee

Composition, Meetings and Attendance

In compliance with the provisions of Section 178(1) of the Companies Act, 2013 read with Regulation 19 of the SEBI LODR Regulations, 2015, the Board had constituted a Nomination & Remuneration Committee.

Pursuant to the commencement of CIRP, the powers of the Board of Directors stood suspended and were exercised by the Interim Resolution Professional or the Resolution Professional, as applicable, in accordance with the provisions of the Code. The requirement of minimum number of

Report on Corporate Governance *(Contd.)*

members in the Nomination & Remuneration Committee in accordance with the Companies Act 2013 and the rules framed thereunder was not maintainable on account of suspension of the powers of the Board. In terms of SEBI LODR Regulations, the Company, owing to the CIRP, was not required to comply with Regulation 19(1)(a) thereof dealing with the minimum number of members in the Nomination & Remuneration Committee of a listed company.

During the Financial Year 2023-24, the Nomination and Remuneration Committee ("NRC") comprised of three Directors, viz. Mr. Asim Kumar Barman, Mr. Aditya Khaitan and Mr. Nilotpal Roy. All members of the Committee are Non-executive Directors. Mr. Asim Kumar Barman is the Chairperson of the Committee. Mr. Nilotpal Roy ceased to be member of the Committee w.e.f. the close of business hours of 10th August 2023. As on 31st March 2024, the Committee consisted of 2 (two) members only.

The quorum for a meeting of the NRC is either two members or one third of the members of the committee, whichever is greater, including one independent director in attendance. The Company Secretary acts as the Secretary to the Committee.

The Committee met on 2 (two) occasions during the Financial Year 2023-24 i.e. 26th May 2023 and 10th November 2023, both held through video-conference. The attendance of members at the Committee Meetings held during the year 2023-24 are given below:

Name	No. of Meetings attended
Mr. Asim Kumar Barman, Chairman	2
Mr. Aditya Khaitan	0
Mr. Nilotpal Roy	1

The Chairman of the erstwhile Nomination & Remuneration Committee was present at the 60th Annual General Meeting held on 31st August 2023.

Role of Nomination and Remuneration Committee

The role of the NRC is in accordance with Regulation 19 and Part D of Schedule II to the Listing Regulations and sub-sections (2), (3) and (4) of Section 178 of the Companies Act, 2013. However, since the commencement of CIRP on 29th April 2022, the roles and responsibilities of the Committee were being fulfilled by the then Resolution Professional as allowed under Regulation 15(2B) of the Listing Regulations.

The Company has adopted a policy on remuneration for Directors, key managerial personnel and other employees and has laid down performance evaluation criteria for Independent Directors.

The criteria of making payments to non-executive directors may be accessed on the Company's website at the following link: http://www.mcnallybharat.com/assets/pdf/investor/policy/criteria-non-executive-directors.pdf. Performance evaluation criteria for Independent Directors are as per the approved Board Evaluation Policy of the Company.

(iv) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee ("CSR Committee") was formed in the financial year 2014-15 to formulate the CSR Policy and to take CSR initiatives in accordance with Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policies) Rules, 2014.

The CSR Committee was dissolved on 12th November 2022 owing to non-applicability of any of the basic criteria determining the formation of corporate social responsibility committee under Section 135 of the Act.

4. Remuneration of Directors

Apart from sitting fee, no remuneration is paid to the Non-executive Directors. Directors who attend Board or Committee meetings are paid a sitting fee of Rs 20,000 per meeting.

Independent Directors are paid sitting fee for attending Independent Directors' Meeting, which is required to be statutorily held at least once during the financial year.

During the Financial Year 2023-24, considering the financial position of the Company, all the Directors have foregone their rights to receive the sitting fee. No stock option was given to any Director.

5. General Body Meetings

(i) Location and time of last three Annual General Meetings (AGMs) and Special Resolutions passed at these Meetings

Financial Year ended	Location	Date	Time
31st March 2021	*Held through video conference / other audio-visual means (OAVM)	Thursday, 30th September 2021	11.00 AM
31st March 2022	*Held through video conference / other audio-visual means (OAVM)	Wednesday, 7th September 2022	3.30 PM
31st March 2023	*Held through video conference / other audio-visual means (OAVM)	Thursday, 31st August 2023	3.30 PM

*In compliance with the MCA circulars dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 5th May 2022, 28th December 2022, as applicable, and all other relevant circulars issued from time to time the AGM was held through video conference/other audio-visual means.

Report on Corporate Governance *(Contd.)*

(ii) Details of Special Resolutions passed in previous three AGMs

The following special resolutions were adopted in the Annual General Meetings of the Company during the past three financial years and e-voting facilities were made available to the shareholders:

Particulars of Special Resolution	Resolution adopted on	No. of shares and % of Votes in favour	No. of shares and % of Votes against
Approval for the re-appointment of Ms. Arundhuti Dhar (DIN: 03197285) as an Independent Director of the Company for a second term of five consecutive years.	30th September, 2021	105058676 (99.9990% of the valid votes cast.)	1086 (0.0010% of the valid votes cast.)
To approve continuation of directorship of Mr. Asim Kumar Barman (DIN: 02373956) Non-executive Independent Director beyond the age of 75 years in his current tenure	31st August, 2023	49356319 (99.99795% of the valid votes cast.)	1010 (0.00205% of the valid votes cast.)

No Special Resolution was adopted at the Annual General Meeting held on 7th September 2022 for the financial year ended 31st March 2022.

Mr. A. K. Labh (FCS 4848, CP No. 3238), Practicing Company Secretary was appointed as Scrutinizer to scrutinize the e-voting process for the AGM held on 30th September 2021.

Mr. Prakash Kumar Shaw (ACS 32895, CP No. 16239), Practicing Company Secretary was appointed as Scrutinizer to scrutinize the e-voting process for the AGM held on 31st August 2023.

No Postal Ballot was done during the Financial Year 2023-24. No Extraordinary General Meeting was held during the financial year 2023-24.

(i) Resolutions passed through postal ballot/remote e-voting

None.

(ii) Person who conducted the postal ballot/e-voting exercise

Does not arise.

(iii) Procedure for postal ballot/remote e-voting

Does not arise.

(iv) Proposal for Special Resolution, if any

No special resolution is proposed to be conducted through postal ballot during the current Financial Year 2024-25.

6. General Disclosures

(i) Related Party Transactions

(a) A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee. All related party transactions prior to CIRP Commencement date were approved by the Audit Committee/ Board, as applicable, and thereafter by the Resolution Professional who in turn, was authorized by the Committee of Creditors (CoC).

(b) There were no material individual transactions with related parties which were not in the ordinary course of business and not at arm's length during the Financial Year ended 31st March 2024.

(c) There were no material significant transactions during the financial year with related parties such as Promoters, Directors, Key Managerial Personnel and their Relatives that could have a potential financial conflict of interest with that of the Company.

(d) The mandatory disclosure of transactions with related parties, in compliance of the Indian Accounting Standard (IndAS-24), forms part of this Annual Report.

(e) Related Party Transactions Policy of the Company can be accessed on the Company's website at https://www.mcnallybharat.com/assets/pdf/investor/policy/related-party-transaction-policy.pdf.

(ii) Capital market non-compliances, if any

There were no instances of non-compliance by the Company or strictures imposed by the Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital markets, during the last 3 (three) financial years, except imposition of SOP Fine by BSE Limited and National Stock Exchange of India Limited vide letter dated 22nd February 2024 regarding discrepancies found in Corporate Governance Report for the quarter ended 31st December 2023, a Waiver Application in respect of which is currently under consideration by both the Exchanges. Meanwhile, the Stock Exchanges have

Report on Corporate Governance *(Contd.)*

further levied SOP Fines for the quarter ended 31st March 2024.

(iii) Vigil Mechanism/ Whistleblower Policy

The Company has a Whistleblower Policy which can be accessed on the Company's website at https://www.mcnallybharat.com/assets/pdf/investor/policy/MBECL-Whistleblower%20Policy-Revised%202022.pdf. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in terms of the policy. During the Financial Year, no complaints were received by the Whistle Committee/Audit Committee.

(iv) Other Policies

In accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has formulated the following policies which can be accessed on the Company's website www.mcnallybharat.com

(a) Policy on Determination and disclosure of material events at https://www.mcnallybharat.com/assets/pdf/investor/policy/materiality-of-disclosures.pdf

(b) Policy on Preservation and Archival of documents at https://www.mcnallybharat.com/assets/pdf/investor/policy/preservation-policy-MBE.pdf

(c) Policy for Determining Material Subsidiaries at http://www.mcnallybharat.com/assets/pdf/investor/policy/policy-on-material.pdf

The Company did not have any 'material' subsidiary as on 31st March 2024.

The Board has not adopted any Risk Management policy and framework pursuant to commencement of CIRP as the powers of the Board stood suspended for the Financial Year 2023-24.

(v) Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The Code of Conduct for Prevention of Insider Trading, Code of fair disclosure of Unpublished Price Sensitive Information and Policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information can be accessed on the Company's website www.mcnallybharat.com

(vi) Independent Directors' Meeting

Pursuant to commencement of the CIRP of the Company on 29th April 2022, the powers of the Board of Directors stood suspended and were exercised by the Interim Resolution Professional or Resolution Professional, as applicable. Therefore, no separate meeting of the Independent Directors was held during the financial year ended 31st March 2024.

(vii) Board Evaluation

In terms of SEBI LODR (Third Amendment) Regulations, 2018, a company undergoing CIRP is not required to comply with the requirement of conducting independent evaluation of the Independent Directors. Therefore, subsequent to commencement of the CIRP of the Company, which spanned over the major part of the Financial Year 2023-24, the evaluation of Independent Directors of the Company was not required to be carried out under the provisions of the Regulation 17(10) of SEBI LODR Regulations.

Further, in accordance with Rule 8(4) of Companies (Accounts) Rules, 2014, the Board of Directors of a company is required to evaluate its own performance and that of its committees and individual directors.

However, pursuant to commencement of the CIRP of the Company, the powers of the Board of Directors remained suspended and were exercised by the Interim Resolution Professional or Resolution Professional, as applicable, in accordance with the provisions of the Code. Therefore, pursuant to the provisions of the Companies Act, 2013 and Chapter IV read with the provisions of Schedule II of SEBI LODR Regulations 2015, the Board of Directors of the Company has neither carried out the annual evaluation of its own performance, nor that of the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

(viii) Prevention of Sexual Harassment at Workplace

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the complaints received and resolved during the year is as under:

Number of Complaints filed during the year	00
Number of Complaints disposed of during the year	00
Number of Complaints pending as at the end of the Financial Year	00

Report on Corporate Governance *(Contd.)*

(ix) Internal Controls

During the year under review, adequate Internal Control policies relating to the normal operations of the Company were adopted and performed and those necessary under the provisions of IBC commensurate with the size, nature and complexity of the activities of the Company, were also implemented.

(x) Certificate from Company Secretary in Practice regarding Directors debarred under the Act, etc.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India Board or the Ministry of Corporate Affairs or any such statutory authority is annexed to this Report.

(xi) Fee to Statutory Auditors

M/s. V. Singhi & Associates, acted as the Statutory Auditors of the Company for the Financial Year 2023-24. The details of the fees paid/payable to the Statutory Auditors by the Company for the Financial Year are detailed in the Standalone Financial Statements of the Company.

The Company and/or its Subsidiaries have not availed any services from entities in the network firm/network entity of which the Statutory Auditor is a part, if any.

(xii) Committee Recommendations

During the Financial Year 2023-24, there has been no instance where the Board had not accepted any recommendation of/submission by any of its Committees, which is mandatorily required to be accepted.

(xiii) Non-mandatory requirements under Part E of Schedule II to Listing Regulations

(a) During the financial year 2023-24, the Company had complied with the non-mandatory requirement of a separate post of Chairperson and Managing Director. However, the Chief Executive Officer resigned w.e.f. 30th October 2023.

(b) The Internal Auditor reports directly to the Audit Committee. However, this was applicable to the CIRP period during the Financial Year 2023-24.

7. Means of Communication

The Annual Report for each financial year is mailed to all Shareholders in the month of July of each calendar year. Each Report contains the annual financial statement of the Company for the Financial Year along with the Directors' Report and Auditor's Report and its annexures. Also included in each Annual Report is the notice convening the Annual General Meeting and the Corporate Governance Report.

The financial results or the extract of the financial results, as the case may be, of the Company were officially released or will be released in accordance with the following schedule:

Sl. No.	Nature of Communication	Media used for Publication	Dates of Publication	Forwarded/to be forwarded to Stock Exchanges on
1	Quarterly unaudited financial results (first quarter 2023-24)	Newspapers	10.08.2023	10.08.2023
2	Half-yearly unaudited financial results (second quarter 2023-24)	Newspapers	10.11.2023	10.11.2023
3	Quarterly unaudited financial results (third quarter 2023-24)	Newspapers	13.02.2024	13.02.2024
4	Annual audited financial results (2023-24)	Newspapers	On or before 30.05.2024	30.05.2024

The financial results are published in Mint (English), Financial Express (English) and Su Khobor (Bengali).

All corporate information filed by the Company with the stock exchanges are uploaded on www.connect2nse.com/LISTING/ (NSE) and www.listing.bseindia.com (BSE) and can be viewed on the website of stock exchanges i.e. www.nseindia.com and www.bseindia.com.The information is also available on the Company website www.mcnallybharat.com.

The Management Discussion & Analysis for the Financial Year 2023-24 forms part of the Directors' Report.

Report on Corporate Governance *(Contd.)*

8. General Shareholder Information

a. The Sixty-first Annual General Meeting (61st AGM) of the Company will be held at 3.30 PM on Thursday, 29th August 2024 through Video-conference or Other Audio-Visual Means (VC/OAVM). As per Circular Nos. 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020 issued by the Ministry of Corporate Affairs ("MCA") followed by Circular Nos. 20/2020 dated 5th May 2020, 02/2021 dated 13th January 2021, 02/2022 dated 5th May 2022, 11/2022 dated 28th December 2022 and 09/2023 dated 25th September 2023 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and the general meeting may be held through video conferencing (VC) or other audio visual means (OAVM). In compliance with the said Circulars, the 61st Annual General Meeting is being held through Video Conference without the physical presence of the Members.

b. The tentative financial calendar is as follows:

Audited Financial Statement for 2023-24	Wednesday, 5th June 2024
Mailing of Annual Report for 2023-24	On /before Thursday, 1st August 2024
Unaudited First Quarter Financial Results 2024-25	Thursday, 8th August 2024
Sixty-first Annual General Meeting	Thursday, 29th August 2024
Payment of Dividend for 2023-24	Not applicable
Unaudited Second Quarter Financial Results 2024-25	Thursday, 7th November 2024

c. Register of Shareholders

The Register of Shareholders will remain closed from Friday, 23rd August 2023 to Sunday, 25th August 2024 both days inclusive.

d. Payment of Dividend

In view of the prevailing business conditions, no dividend payment has been recommended for the Financial Year 2023-24.

e. Listing of Shares on Stock Exchanges

As on 31st March 2024, the shares of the Company were listed on Stock Exchanges with their respective stock codes as follows:

Name of the Stock Exchange	Stock Code
BSE Limited	532629
The National Stock Exchange of India Limited	MBECL
Reuters Code	MCNL.BO
Bloomberg Code	MCNA:IN

The International Securities Identification Number ("ISIN") of the Company's shares in the dematerialized mode is INE748A01016. There are no arrears of listing fees and custodial fees.

f. Market Price data

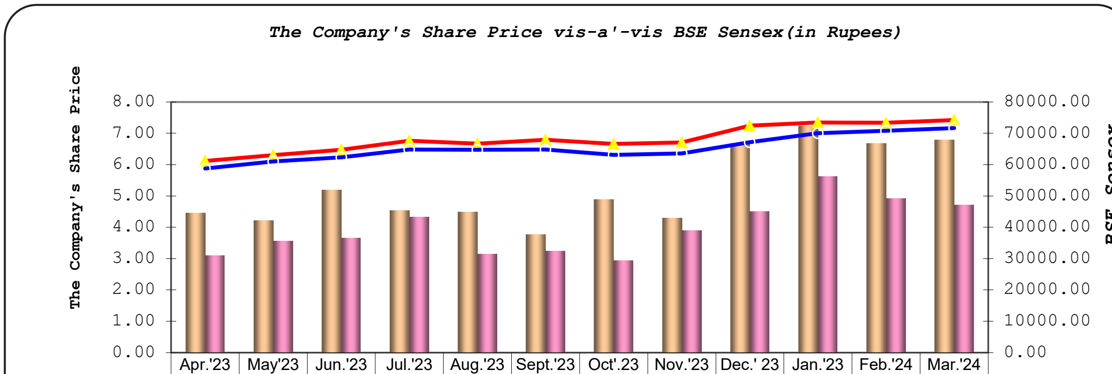
The details of the monthly highest and lowest closing quotations of the equity shares of the Company at BSE Limited and National Stock Exchange of India Limited during the Financial Year 2023-24 are as under:

Month	BSE Ltd.		National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2023	4.45	3.1	4.30	3.10
May, 2023	4.22	3.57	4.05	3.60
June, 2023	5.19	3.66	5.10	3.70
July, 2023	4.54	4.32	4.40	3.65
August, 2023	4.49	3.14	4.40	3.15
September, 2023	3.76	3.24	3.90	3.04
October, 2023	4.89	2.93	4.80	2.90
November, 2023	4.30	3.90	4.25	3.75
December, 2023	6.67	4.51	6.60	4.40
January, 2024	7.23	5.62	7.10	5.45
February, 2024	6.68	4.92	6.55	4.85
March, 2024	6.79	4.72	6.65	4.75

Report on Corporate Governance *(Contd.)*

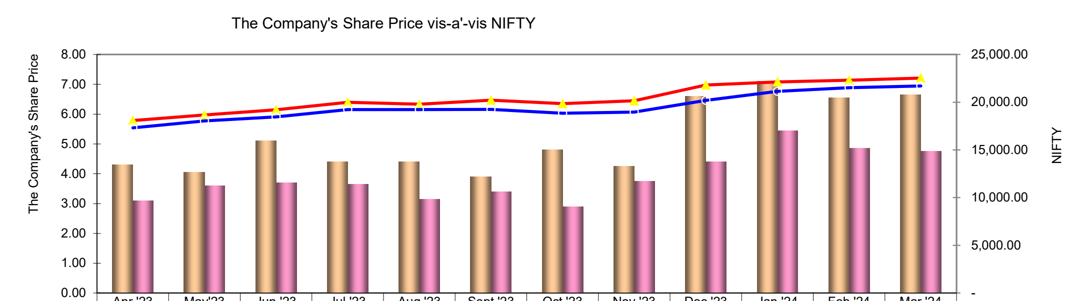
g. Market Price of Company's share versus Sensex and Nifty (in Rupees)

A. The Company's Share Price vs. Sensex



	Apr.'23	May'23	Jun.'23	Jul.'23	Aug.'23	Sept.'23	Oct'.23	Nov.'23	Dec.' 23	Jan.'23	Feb.'24	Mar.'24
Sh.Price(High)	4.45	4.22	5.19	4.54	4.49	3.76	4.89	4.30	6.67	7.23	6.68	6.79
Sh.Price(Low)	3.10	3.57	3.66	4.32	3.14	3.24	2.93	3.90	4.51	5.62	4.92	4.72
Sensex(High)	61209.46	63036.12	64768.58	67619.17	66658.12	67927.23	66592.16	67069.89	72484.34	73427.59	73413.93	74245.17
Sensex(Low)	58793.08	61002.17	62359.14	64836.16	64723.63	64818.37	63092.98	63550.46	67149.07	70001.60	70809.84	71674.42

B. The Company's Share Price vs. Nifty



	Apr.'23	May'23	Jun.'23	Jul.'23	Aug.'23	Sept.'23	Oct.'23	Nov.'23	Dec.'23	Jan.'24	Feb.'24	Mar.'24
Sh.Price(High)	4.30	4.05	5.10	4.40	4.40	3.90	4.80	4.25	6.60	7.10	6.55	6.65
Sh.Price(Low)	3.10	3.60	3.70	3.65	3.15	3.40	2.90	3.75	4.40	5.45	4.85	4.75
Nifty(High)	18,089.15	18,662.45	19,201.70	19,991.85	19,795.60	20,222.45	19,849.75	20,158.70	21,801.45	22,124.15	22,297.50	22,526.60
Nifty(Low)	17,312.75	18,042.40	18,464.55	19,234.40	19,223.65	19,255.70	18,837.85	18,973.70	20,183.70	21,137.20	21,530.20	21,710.20

h. Means of Communication

The Ministry of Corporate Affairs vide General Circular No. 09/2023 dated 25th September 2023 extended the relaxations from dispatching physical copies of financial statements to the shareholders for the Annual General Meetings (AGMs) conducted till 30th September 2024. The Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 has also provided relaxation up to 30th September 2023 from Regulation 36(1)(b) of Listing Regulations, which requires sending hard copy of the statement containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 to those shareholders who have not registered their email addresses.

In accordance with Sections 20, 101 and 136 of the Companies Act, 2013 and rules made there under, the Annual Report, Notice of the Annual General Meeting, postal ballot notice, circulars, etc. are being sent by electronic means to those shareholders whose e-mail addresses are made available to the Company by the shareholders and the depository. Documents e-mailed to shareholders are available on the Company website www.mcnallybharat.com to enable shareholders read and download a copy, if required.

In terms of Regulation 36(1)(c) of the Listing Regulations, hard copy of full Annual Report are being sent to those shareholders who have requested for the same. Further, notice of the Company's Sixty-first Annual General Meeting ("61st AGM") published in newspapers by advertisement in terms of Regulation 47 of the Listing Regulations contains a link to the Annual Report 2023-24 so as to enable shareholders have access to the full Annual Report.

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9. Share Transfer Agent

The Company has engaged the services of Maheshwari Datamatics Private Limited, a SEBI registered Share Transfer Agent with Registration No. INR000000353, as the Registrar & Transfer Agent (RTA) of the Company. All queries relating to shares and requests for dematerialization and re-materialization should be sent to our RTA or the Company at following address:

Maheshwari Datamatics Private Limited,
Unit: McNally Bharat Engineering Co. Ltd.
23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001
Telephone: 033 2243-5029/5809, Fax: 033 2248-4787
E-mail: mdpldc@yahoo.com

OR

McNally Bharat Engineering Company Limited
Share Department, 4 Mangoe Lane, 7th Floor,
Kolkata- 700 001, West Bengal, India
Tel: +9133-6628 1212, Fax: +9133 3014 1212
E-mail: mbecal@mbecl.co.in

Shareholders have the option to open their Accounts with a Depository Participant having connectivity with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

10. Share Transfer

The Company's shares are traded on the Stock Exchanges in compulsory dematerialized form. Shareholders are requested to ensure that their Depository Participants (DPs) promptly send physical documents, viz. Dematerialization Request Form (DRF), share certificates, etc. to the RTA for providing the Dematerialization Request Number (DRN). Documents of transfer in physical form ie. the transfer deeds, share certificates etc. should similarly be sent to the RTA.

In compliance with SEBI Circular No. SEBI/HO/MRSD / MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 read with Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated 30th December 2022, the Company, while processing various Investor requests, issues shares only in dematerialized form. Claimants of duplicate share certificate are requested to promptly submit the Letter of Confirmation (LOC) which is issued to them, to their Depository Participant within 120 days of the date of LOC for getting the shares credited in their Demat Account, failing which the shares are transferred to the "Suspense Escrow Demat Account" of the Company.

The Shareholders had been intimated about SEBI KYC (Know Your Customer) Norms as mandated vide SEBI Circular No. SEBI/ HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 and Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December 2021.

Further, in terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 regarding Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination (the Circular supersedes the previous circulars dated 3rd November 2021 and 14th December 2021 with effect from 1st April 2023) it was mandatory for each holder of physical securities to furnish his/her PAN, address, email id, mobile number, bank account details, specimen signature and nomination to the Company's RTA or to the Company. Intimation with respect to such Circular was duly sent to Shareholders on 29th April 2023 by registered post at their address registered with the RTA and a General Notice in respect of the same was also hosted on the Company's website www.mcnallybharat.com .

Furthermore, SEBI issued a Master Circular No. SEBI / HO/MIRSD /POD-1/ P/CIR/2023/70 dated May 17, 2023 for All Registrars to an Issue and Share Transfer Agents, rescinding all previous circulars issued in this regard. Notwithstanding such rescission, anything done or any action taken under the rescinded circulars prior to such rescission, are deemed to have been done or taken under the corresponding provisions of the said Master Circular.

11. Unclaimed Dividends

All unclaimed dividend up to and including the financial year ended on 31st March 2013 and unclaimed shares pertaining thereto, have been transferred to the Investor Education and Protection Fund ("IEPF") as mandated under law. Thereafter, no dividends have been declared by the Company.

12. Dematerialization

As on 31st March 2024, 172092315 Equity Shares representing 81.34 % of the total shares, were held in dematerialized form and the balance 39478442 shares representing 18.66 % of the total issued shares were in physical (share certificate) form.

A total of 22404 (98.68%) Shareholders have up to 31st March 2024, dematerialized their shareholdings, while the balance 300 (1.32%) Shareholders continue to hold shares in the physical form.

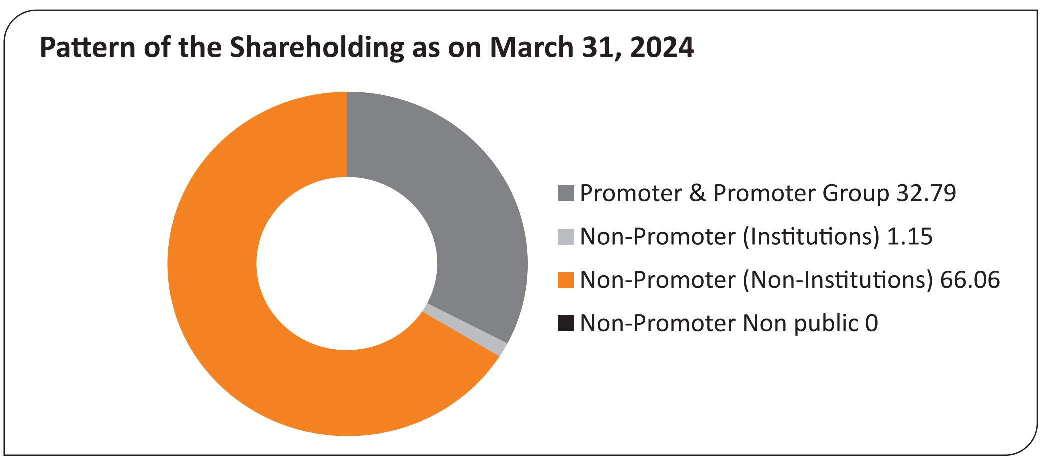
Report on Corporate Governance *(Contd.)*

13. (a) Distribution of Shareholding as on 31st March 2024

No. of Equity Shares Held	Shareholders			Share Amount	
	No. of Holders	No. of Shares	% of total	Rupees	% of total
Upto 500	14883	2176621	65.5552	21766210	1.0288
501 to 1000	2759	2436838	12.1526	24368380	1.151 8
1001 to 2000	1790	2916672	7.8844	29166720	1.3786
2001 to 3000	845	2218383	3.7220	22183830	1.0485
3001 to 4000	383	1389846	1.6870	13898460	0.6569
4001 to 5000	495	2392331	2.1803	23923310	1.1307
5001 to 10000	707	5554114	3.1141	55541140	2.6252
Above 10000	841	192485952	3.7044	1924859520	90.9795
TOTAL	**22704**	**211570757**	**100.0000**	**2115707570**	**100.0000**

(b) Pattern of Shareholding as on 31st March 2024

Sl. No.	Category	No. of Shares	%
1	Promoter & Promoter Group	69374046	32.79
	Non-Promoter (Institutions)		
2	Banks, Insurance Companies, NBFCs	2430750	1.15
	Non-Promoter (Non-Institutions):		
3	Bodies Corporate	79134602	37.40
4	Resident Individual/HUF	58558660	27.68
5	Non-Resident Individual	1263314	0.60
6	Others	809385	0.38
	TOTAL	**211570757**	**100.00**



(c) Top Five Equity Shareholders as on 31st March 2024

Sl. No.	Category	No. of Shares	%
1	Williamson Magor & Company Limited	22318952	10.55
2	Williamson Financial Services Limited	19214753	9.08
3	Sahal Business Private Limited	17447637	8.25
4	IL&FS Financial Services Limited	16129000	7.62
5	Babcock Borsig Limited	13664636	6.46
	TOTAL	**88774978**	**41.96**

Report on Corporate Governance *(Contd.)*

14. Convertible Instruments (outstanding)

There was no convertible instrument outstanding as at the end of the Financial Year on 31st March 2024.

15. Fund raising through Preferential Allotment etc.

During the Financial Year 2023-24, the Company had not raised any funds through preferential allotment or qualified institutional buyers.

16. Reclassification of two Promoters Group companies into Public category

The Company obtained Shareholders' approval by means of postal ballot through e-voting on 18th February 2022 for re-classification of two "Promoter Group" companies into "Public" category pursuant to Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Thereafter, application was filed with both the Stock Exchanges, approval on which is pending.

17. Commodity or Foreign Exchange Risk and Hedging

During the year, the Company had managed its foreign exchange risk and had not entered into any hedge contract against its exposures related to exports & imports and receivable balances & payable balances in connection thereto. Management monitors the commodities/ raw materials whose prices are volatile and suitable steps are taken to minimize the risk.

18. Credit Rating

The Company has been under CIRP since 29th April 2022 till 19th December 2023. Under the circumstances, no credit ratings have been obtained during the Financial Year 2023-24.

19. Address for correspondence

Registered Office Address:
Four Mangoe Lane, 7th Floor
Kolkata - 700 001.
Corporate Office Address:
Ecospace, Campus 2B 11F/12
New Town, Rajarhat
North 24 Parganas
Kolkata - 700160.

Correspondence from Shareholders on all matters should be addressed to:
Maheshwari Datamatics Private Limited
23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001
Contact person: Mr. S. Rajagopalan, Vice President
Telephone Nos.: 033 2243-5029/ 5809; Fax No: 033 2248-4787
E-mail: mdpldc@yahoo.com

20. Information pursuant to Regulation 36(3) of the Listing Regulations

Information pursuant to Regulation 36(3) of Listing Regulations pertaining to particulars of Directors to be appointed or re-appointed at the forthcoming 61st Annual General Meeting is not applicable, since the consent of the retiring Director for his re-appointment as such has not been received by the Company up to the date of this Report.

21. CEO/CFO Certification

In the absence of Chief Executive Officer (CEO) in the Company, the certificate as required under Regulation 17(8) of SEBI Listing Regulations, 2015, has been signed by the Chief Financial Officer only. The Company is in the process of appointing the CEO.

22. Compliance Certificate of the Auditors

The certificate obtained from the Statutory Auditors of the Company, M/s. V. Singhi & Associates, Chartered Accountants, regarding Compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations is annexed hereto.

For **McNally Bharat Engineering Company Limited**

Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

For **McNally Bharat Engineering Company Limited**

Asim Kumar Barman
Chairman, Audit Committee
DIN: 02373956

5th June 2024
Kolkata

Declaration under Regulation 34(3) read with Part D of Schedule V of the Listing Regulations regarding adherence to the Code of Conduct

In accordance with Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, I hereby confirm that the Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Mission and Vision, the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2024.

For **McNally Bharat Engineering Company Limited**

Ravi Sethia
Chairman of the Monitoring Committee
(Erstwhile Resolution Professional)

5th June 2024
Kolkata

Independent Auditors' Certificate On Corporate Governance

To
The Members of
McNally Bharat Engineering Company Limited

1. We have examined the compliance of conditions of Corporate Governance by McNally Bharat Engineering Company Limited ("the Company") for the year ended on 31st March, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) and as amended ("SEBI LODR").

Management's Responsibilities

2. The compliance of the conditions of Corporate Governance is the responsibility of the management and Board of Directors including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Regulations.

Auditors' Responsibilities

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. The procedure selected depends on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits & Review of Historical Financial Information, & Other Assurance and Related Service Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the written representations provided to us by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V to the SEBI LODR for the year ended 31st March, 2024 having regard to the exemptions allowed under Regulation 15(2A) and 15(2B) of SEBI LODR to a company undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency & Bankruptcy Code, 2016 (IBC).

Other matters and Restrictions on use

9. Since 29th April 2022, the Company went into Corporate Insolvency Resolution Process (CIRP) under the IBC vide Hon'ble NCLT Order dated 29th April 2022, pursuant to an application filed by the Bank of India. Vide the same Order, Mr. Anuj Jain, (Registration number IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as Interim Resolution Professional and subsequently, the NCLT vide Order dated 26th August 2022 appointed Mr. Ravi Sethia, (Registration No. IBBI/IPA-001/IP-P01305/2018-2019/12052) as the Resolution Professional to manage the Company's affairs, business, and assets during the ongoing CIRP. During the Financial Year 2023-24, the Hon'ble NCLT vide Order dated 19th December 2023 (the "Appointed Date") approved the Resolution Plan of BTL EPC Limited which was selected as the successful Resolution Plan by the Committee of Creditors ("CoC") at their 32nd Meeting held on 27th July 2023 by 90.06% voting share on the criteria of higher Net Present Value. The Company filed Waiver Application with BSE Limited and the National Stock Exchange of India Limited with respect to SOP Fines levied w.r.t. compliances with conditions of corporate governance from the period 19th December 2023 to 31st December 2023. The Application is still pending with the relevant Exchange. Meanwhile, the Exchange has further levied SOP Fines for the quarter ended 31st March 2024. We further state that, in absence of a Chief Executive Office in the Company, the certificate as required under Regulation 17(8) of SEBI LODR Regulations is signed by the Chief Financial Officer as stated in the para 21 of the corporate governance.

Independent Auditors' Certificate On Corporate Governance *(Contd.)*

10. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI LODR, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

9. Since 29th April 2022, the Company went into Corporate Insolvency Resolution Process (CIRP) under the IBC vide Hon'ble NCLT Order dated 29th April 2022, pursuant to an application filed by the Bank of India. Vide the same Order, Mr. Anuj Jain, (Registration number IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as Interim Resolution Professional and subsequently, the NCLT vide Order dated 26th August 2022 appointed Mr. Ravi Sethia, (Registration No. IBBI/IPA-001/IP-P01305/2018-2019/12052) as the Resolution Professional to manage the Company's affairs, business, and assets during the ongoing CIRP. During the Financial Year 2023-24, the Hon'ble NCLT vide Order dated 19th December 2023 (the "Appointed Date") approved the Resolution Plan of BTL EPC Limited which was selected as the successful Resolution Plan by the Committee of Creditors ("CoC") at their 32nd Meeting held on 27th July 2023 by 90.06% voting share on the criteria of higher Net Present Value. The Company filed Waiver Application with BSE Limited and the National Stock Exchange of India Limited with respect to SOP Fines levied w.r.t. compliances with conditions of corporate governance from the period 19th December 2023 to 31st December 2023. The Application is still pending with the relevant Exchange. Meanwhile, the Exchange has further levied SOP Fines for the quarter ended 31st March 2024. We further state that, in absence of a Chief Executive Office in the Company, the certificate as required under Regulation 17(8) of SEBI LODR Regulations is signed by the Chief Financial Officer as stated in the para 21 of the corporate governance.

10. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI LODR, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **V. SINGHI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 311017E
Aniruddha Sengupta
Partner
Membership No. 051371
UDIN: 24051371BKFAFV5939

Place: Kolkata
Date: 5th June, 2024

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
McNally Bharat Engineering Company Limited
Four Mangoe Lane, 7th Floor
Surendra Mohan Ghosh Sarani,
Kolkata - 700 001
West Bengal

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of McNally Bharat Engineering Company Limited having CIN: L45202WB1961PLC025181 and having registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, 7th Floor, Kolkata – 700001, West Bengal (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers and further subject to the Notes as mentioned below, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Aditya Khaitan	00023788	27.06.2011
3.	Asim Kumar Barman	02373956	01.12.2009

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned hereinabove and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note:

1. The Company had been admitted to Corporate Insolvency Resolution Process ('CIRP') vide an Order pronounced by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench on 29th April 2022 in Company Application No. C.P.(IB)No.891/KB/2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC). Consequently, the Board of Directors of the Company stood suspended till December 18, 2023, and its power and function was exercised by Mr. Ravi Sethia (IP Registration No. IBBI/IPA-001/IPPO1305/2018-2019/12052), Resolution Professional, appointed by NCLT vide its Order dated 26th August, 2022.

   Pursuant to Order dated 19th December 2023, the NCLT approved the Resolution Plan submitted by BTL EPC Limited (the "Resolution Applicant/RA") as approved by the Committee of Creditors (the "CoC") for the revival of the Company in accordance with the relevant provisions of the Insolvency Code.

   In compliance with the NCLT Order dated 19th December 2023 an 'Implementation and Monitoring Committee' (IMC) was constituted on 28th December 2023 with the said Mr. Ravi Sethia as its Chairman, and equal representations from RA and CoC.

   As per the NCLT Order dated 19th December 2023 approving the Resolution Plan, on from the 'effective date' as defined therein, Mr. Aditya Khaitan (DIN No. 00023788) and Mr. Asim Kumar Barman (DIN No. 02373956) automatically ceased to be a director of the Company without any further action on the part of any person.

   However, the terms of the approved Resolution Plan have not been implemented within the effective date as mentioned in the NCLT Order dated 19th December, 2023 i.e a date no later than 60(sixty) days from the Appointed Date.

2. The Regional Director (E.R), Ministry of Corporate Affairs served a Notice dated 5th October 2023 on the Company for Limited Inspection under Section 206(5) of the Companies Act, 2013, alleging that Mr. Aditya Khaitan (DIN No. 00023788) is disqualified under Section 164(2) read with Section 167 of the Companies Act, 2013. The matter is under consideration with the Regional Director.

3. The Company is yet to receive Annual Declaration from Mr. Aditya Khaitan (DIN No. 00023788) for the current year for their qualification and for continuation as Directors in the Company as mandated under the provisions of the Companies Act, 2023 and SEBI LODR Regulations.

Prakash Kumar Shaw
Practicing Company Secretary
ACS – 32895 / CP No. 16239
PRCN: 3022/2023
UDIN: A032895F000533384

Place: Kolkata
Date: 05.06.2024

Secretarial Audit Report

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
McNally Bharat Engineering Company Limited
(Company under Corporate Insolvency Resolution Process)
Four Mangoe Lane
Surendra Mohan Ghosh Sarani, 7th Floor
Kolkata - 700 001
West Bengal

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by McNally Bharat Engineering Company Limited (Company under Corporate Insolvency Resolution Process) having its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, 7th Floor, Kolkata – 700001, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I report that, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2024 according to the provisions of (as amended) :

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) Secretarial Standards as issued by The Institute of Company Secretaries of India;
3) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
4) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
5) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of For-

Secretarial Audit Report *(Contd.)*

eign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. The Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules, 1972;
2. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of service) Act, 1979; and
3. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

to the extent of its applicability to the Company during the financial year ended 31st March 2024 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, except:

Matter of Emphasis:

1. The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31st March 2024 as stipulated under Regulation 31(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Company had defaulted in payment of interest/ repayment of principal amount on loans from banks/financial institutions and also unlisted debt securities, viz. default in redemption of Non-Convertible Redeemable Preference Shares.
3. Upon resignation of two (2) Independent Directors (including one woman Director) namely Ms. Kasturi Roychoudhury (DIN No. 06594917) and Mr. Nilotpal Roy (DIN No. 00087298), with effect from August 10, 2023, the composition of the Board of Directors, Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee of the Company have become imbalanced and fallen below the minimum strength as required under the Act, which resulted in non-compliance under various provisions of the Companies Act, 2013 ("the Act") and the SEBI (LODR) Regulations. Such vacancies have not been filled up till the date of this report.
4. The Company does not have a managing director, or Chief Executive Officer or manager and in their absence, a whole-time director as required under Section 203 of the Companies Act, 2023.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

1) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
2) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
3) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
4) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
5) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

I further report that:

(a) The Company had been admitted to Corporate Insolvency Resolution Process ('CIRP') vide an Order pronounced by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench on 29th April 2022 in Company Application No. C.P.(IB)No.891/KB/2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC). Consequently, the Board of Directors of the Company stood suspended till 18th December 2023, and its powers and functions were exercised by Mr. Ravi Sethia (IP Registration No. IBBI/IPA-001/IPPO1305/2018-2019/12052), Resolution Professional, appointed by NCLT vide Order dated 26th August, 2022.

Secretarial Audit Report *(Contd.)*

Pursuant to Order dated 19th December 2023, the NCLT approved the Resolution Plan submitted by BTL EPC Limited (the "Resolution Applicant/RA") as approved by the Committee of Creditors (the "CoC") for the revival of the Company in accordance with the relevant provisions of the Insolvency Code.

In compliance with the NCLT Order dated 19th December 2023 an 'Implementation and Monitoring Committee' (IMC) was constituted on 28th December 2023 with the said Mr. Ravi Sethia as its Chairman, and equal representations from RA and CoC.

However, the terms of the approved Resolution Plan have not been implemented within the effective date as mentioned in the NCLT Order dated 19th December 2023 i.e a date no later than 60(sixty) days from the Appointed Date.

(b) The Company has a Structured Digital Database pursuant to Regulations 3(5) and 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015. However, the implementation of all the provisions of the aforesaid regulations is still in process.

(c) The Company is yet to file Form DIR 12 for resignation of both Ms. Kasturi Roychoudhury (DIN No. 06594917) and Mr. Nilotpal Roy (DIN No. 00087298) with effective from 10th August 2023.

(d) BSE Limited ("BSE) and The National Stock Exchange of India Limited ("NSE") have levied SOP fines in respect of the Corporate Governance Report filed for the quarter ended 31st December 2023 and 31st March 2024 for violation made under Regulation 17, 18, 19 & 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Prakash Kumar Shaw)
Practicing Company Secretary
ACS – 32895 / CP No. 1623
PRCN: 3022/2023
UDIN: A032895F000533340

Place: Kolkata
Dated: 05.06.2024

Secretarial Audit Report *(Contd.)*

Management's Reply to Matter of Emphasis in Secretarial Auditor's Report

Most of the points raised by the Secretarial Auditor in his Audit Report as matter of emphasis are self-explanatory and hence the same calls for no further explanation of the Board of Directors. However, the points which call for further explanation are given below with an explanation of the Board of Directors on the same:

Reply to Matter of Emphasis

Sl. No.	Management's Reply
1.	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31st March 2024 as stipulated under Regulation 31(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Equity shares allotted to promoters are pending dematerialization since the shares are in the process of listing with the Stock Exchange(s).
2.	The Company had defaulted in payment of interest/ repayment of principal amount on loans from banks/financial institutions and also unlisted debt securities, viz. default in redemption of Non-Convertible Redeemable Preference Shares. The Company had been admitted to Corporate Insolvency Resolution Process ('CIRP') vide an Order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) on 29th April 2022 in Company Application No. C.P.(IB)No.891/KB/2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and pursuant to Order dated 19th December, 2023, the NCLT approved the Resolution Plan submitted by BTL EPC Limited (the "Resolution Applicant/RA") as approved by the Committee of Creditors (the "CoC") for the revival of the Company in accordance with the relevant provisions of the Insolvency Code.
3.	Upon resignation of two (2) Independent Directors (including one woman Director) namely Ms. Kasturi Roychoudhury (DIN No. 06594917) and Mr. Nilotpal Roy (DIN No. 00087298), with effect from August 10, 2023, the composition of the Board of Directors, Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee of the Company have become imbalanced and fallen below the minimum strength as required under the Act, which resulted in non-compliance under various provisions of the Companies Act, 2013 ("the Act") and the SEBI (LODR) Regulations. Such vacancies have not been filled up till the date of this report. The Company had been admitted to Corporate Insolvency Resolution Process ('CIRP') vide an Order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) on 29th April 2022 in Company Application No. C.P.(IB)No.891/KB/2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and pursuant to Order dated 19th December, 2023, the NCLT approved the Resolution Plan submitted by BTL EPC Limited (the "Resolution Applicant/RA") as approved by the Committee of Creditors (the "CoC") for the revival of the Company in accordance with the relevant provisions of the Insolvency Code. The Company is in the process of reconstituting Board of Directors and all its mandatory Committees as required under the Companies Act, 2013 and SEBI (LODR) Regulations.
4.	The Company does not have a managing director, or Chief Executive Officer or manager and in their absence, a whole-time director as required under Section 203 of the Companies Act, 2023. The Company had been admitted to Corporate Insolvency Resolution Process ('CIRP') vide an Order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) on 29th April 2022 in Company Application No. C.P.(IB)No.891/KB/2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and pursuant to Order dated 19th December, 2023, the NCLT approved the Resolution Plan submitted by BTL EPC Limited (the "Resolution Applicant/RA") as approved by the Committee of Creditors (the "CoC") for the revival of the Company in accordance with the relevant provisions of the Insolvency Code. The Company is in the process of appointing a managing director, or Chief Executive Officer or manager and in their absence, a whole-time director as required under Section 203 of the Companies Act, 2023.

Secretarial Compliance Report

Secretarial Compliance Report of
McNally Bharat Engineering Company Limited
for the financial year ended 31st March 2024

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by McNally Bharat Engineering Company Limited (hereinafter referred as 'the listed entity'), having its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, 7th Floor, Kolkata – 700001, West Bengal. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that in my opinion, the listed entity has, during the review period covering the financial year ended on 31st March 2024, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I, Prakash Kumar Shaw, Practicing Company Secretary, have examined:

(a) all the documents and records made available to me and explanation provided by McNally Bharat Engineering Company Limited ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2024 ("Review Period") in respect of compliance with the provisions of :

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below :

Sl. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice / Warning etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Refer Annexure - A										

Secretarial Compliance Report *(Contd.)*

(b) The listed entity has taken the following actions to comply with the observations made in previous reports :

Sl. No	Compliance Requirement (Regulations / circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Refer Annexure - B										

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019 :

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	N.A.	No such case was reported during the financial year under report.
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	N.A.	No such case was reported during the financial year under report.
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	N.A.	No such case was reported during the financial year under report.
2.	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee :	N.A.	No such case was reported during the financial year under report.
	a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the Company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.		

Secretarial Compliance Report *(Contd.)*

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS
	ii. Disclaimer in case of non-receipt of information : The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/NFRA, in case where the listed entity / its material subsidiary has not provided information as required by the auditor.		
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	N.A.	No such case was reported during the financial year under report.

III. I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	**Adoption and timely updating of the Policies:** All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entity. All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI.	Yes Yes	
3.	**Maintenance and disclosures on Website:** The listed entity is maintaining a functional website. Timely dissemination of the documents / information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s) / section of the website.	Yes Yes Yes	
4.	**Disqualification of Director:** None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	No	1. As per the Resolution Plan approved by the NCLT vide its Order dated December 19, 2023, Mr. Aditya Khaitan (DIN No. 00023788) and Mr. Asim Kumar Barman (DIN No. 02373956) automatically ceased to be a director of the Company on and from 'effective date'. However, the terms of the approved Resolution Plan have not been implemented within the effective date as mentioned in the NCLT Order dated December 19, 2023 i.e a date no later than 60 (sixty) days from the Appointed Date.

Secretarial Compliance Report *(Contd.)*

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
			2. The Regional Director (E.R), Ministry of Corporate Affairs served a Notice dated October 05, 2023 on the Company for Limited Inspection under Section 206(5) of the Companies Act, 2013, alleging that Mr. Aditya Khaitan incurred certain disqualification under Section 164(2) read with Section 167 of the Companies Act, 2013 and hence not eligible to continue his directorship in the Company. The matter is under consideration with the Regional Director. 3. The Company is yet to receive Annual Declaration for the current year from the Directors for their qualification and for continuation as Directors in the Company as mandated under the provisions of the Companies Act, 2023 and SEBI LODR Regulations.
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** a) Identification of material subsidiary companies. b) Disclosure requirement of material as well as other subsidiaries.	Yes N.A.	During the financial year under report, the Company had one (1) Indian subsidiary and two (2) overseas subsidiaries which were not 'material subsidiaries' as on 31st March 2024.
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	No	No Board Evaluation has been conducted during 2023-24 since the Board remained suspended vide NCLT Order w.e.f. 29th April 2022 till 18th December, 2023 as the Company was under Corporate Insolvency Resolution Process.

III. I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	N.A. N.A.	The Board of Directors and the Committees stood suspended since the Company was under Corporate Insolvency Resolution Process. As informed by the Management all related party transactions were approved / ratified by the Committee of Creditors under advice of Resolution Professional.
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	

Secretarial Compliance Report *(Contd.)*

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) &3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	No	The Company has a Structured Digital Database in place; however, implementation of various provisions of the said Regulation is still under process.
11.	**Actions taken by SEBI or Stock Exchanges, *if any*:** No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	No	BSE Limited ("BSE) and National Stock Exchange of India Limited ("NSE") have levied SOP fines in respect of the Corporate Governance Report filed for the quarter ended December 31, 2023 and March 31, 2024 for violations incurred under Regulation 17, 18, 19 & 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12.	**Additional Non-compliances, *if any*:** No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.	Yes	

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to certify based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and books of accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Prakash Kumar Shaw
Practicing Company Secretary
ACS – 32895 / CP No. 16239
PRCN: 3022/2023
UDIN: A032895F000499416

Place: Kolkata
Dated: 30.05.2024

Secretarial Compliance Report *(Contd.)*

Annexure A

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken By	Type of Action (Advisory / Clarification/ Fine/ Show Cause Notice / Warning etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	SEBI (LODR) Regulations, 2015	Regulation 31(2)	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.24.	-	-	87.03 % of the shareholding of promoter (s) and promoter group is in dematerialized form as on 31.03.2024	-	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.2024	Equity Shares allotted to promoters are pending dematerialization since listing applications have been filed with the Stock Exchanges and the shares are in the process of listing.	-
2.	SEBI (LODR) Regulations, 2015	Regulation 17(1)	Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	BSE Ltd. & National Stock Exchange of India Ltd.	SOP Fines by BSE Ltd. & National Stock Exchange of India Ltd.	Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	455000* (By each Stock Exchange)	The composition of the Board of Directors of the Listed Entity is not as per Regulation 17(1) of the SEBI LODR Regulations. The Listed Entity is yet to appoint a woman director.	-	
3.	SEBI (LODR) Regulations, 2015	Regulation 17(2A)	Non-compliance with the requirements pertaining to quorum of Board meetings.	BSE Ltd. & National Stock Exchange of India Ltd.	SOP Fines by BSE Ltd. & National Stock Exchange of India Ltd.	Non-compliance with the requirements pertaining to quorum of Board meetings.	10000* (By each Stock Exchange)	The Board of Directors of the Listed Entity does not have a proper strength to form a quorum of Board / Committee meetings.	-	
4.	SEBI (LODR) Regulations, 2015	Regulation 18(1)	Non-compliance with the constitution of audit committee	BSE Ltd. & National Stock Exchange of India Ltd.	SOP Fines by BSE Ltd. & National Stock Exchange of India Ltd.	Non-compliance with the constitution of audit committee	182000* (By each Stock Exchange)	The composition of the Audit Committee of the Listed Entity is not as per Regulation 18(1) of the SEBI LODR Regulations.	-	
5.	SEBI (LODR) Regulations, 2015	Regulation 19(1)/ 19(2)	Non-compliance with the constitution of nomination and remuneration committee	BSE Ltd. & National Stock Exchange of India Ltd.	SOP Fines by BSE Ltd. & National Stock Exchange of India Ltd.	Non-compliance with the constitution of nomination and remuneration committee	182000* (By each Stock Exchange)	The composition of the Nomination & Remuneration Committee of the Listed Entity is not as per Regulation 19(1)/ (2) of the SEBI LODR Regulations.	-	
6.	SEBI (LODR) Regulations, 2015	Regulation 20(2) / (2A)	Non-compliance with the constitution of stakeholder relationship committee	BSE Ltd. & National Stock Exchange of India Ltd.	SOP Fines by BSE Ltd. & National Stock Exchange of India Ltd.	Non-compliance with the constitution of stakeholder relationship committee	182000* (By each Stock Exchange)	The composition of the Stakeholder Relationship Committee of the Listed Entity is not as per Regulation 18(1) of the SEBI LODR Regulations.	-	

* The above fines are lived by the Stock Exchange(s) for the quarter ended March 31, 2024. A similar fine had already been levied and paid by the Company for the quarter ended December 31, 2023 for which a waiver application has been filed which is under process.

Secretarial Compliance Report *(Contd.)*

Annexure B

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken By	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	SEBI (LODR) Regulations, 2015	Regulation 31(2)	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.2023.	-	-	87.03 % of the shareholding of promoter (s) and promoter group is in dematerialized form as on 31.03.2023.	-	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.2023.	Equity Shares allotted to promoters are pending dematerialization since listing applications have been filed with the Stock Exchanges and the shares are in the process of listing.	-
2.	SEBI Circular	SEBI Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2019/ 140 dated November 21, 2019	Delay in submission of disclosure with respect to defaults in payment of interest/ repayment of principal amount on loans from banks/ financial institutions.			The disclosure is required to be submitted within 7 days from the end of quarter. However, the same was submitted on 12.07.2022 for the Quarter ended 30.06.2022.	-	There was delay in submission of Quarterly disclosure with the Stock Exchange for the default in redemption of Non-Convertible Redeemable Preference Shares for the Quarter ended 30th June, 2022.	Due to certain technical problems, the disclosure with respect to defaults in payment of interest/ repayment of principal amount on loans from banks/ financial institutions, was submitted on 12.07.2022.	-
3.	SEBI (LODR) Regulations, 2015	Regulation 17(1A)	No prior approval from shareholders for continuation of directorship on attaining 75 years of age	-	-	Mr. Nilotpal Roy, Non-executive Independent Director, attained the age of 75 years on 14.01.2023, however, shareholders' approval was taken on 18.03.2023.	-	Prior approval from shareholders through special resolution was not taken for continuation of directorship of Mr. Nilotpal Roy, Non-executive Independent Director, on attaining 75 years of age.	The Company has obtained Shareholders' approval by passing special resolution through postal ballot/e-voting on 18th March 2023 with effect from the date of attaining 75 years of age.	-

Compliance Certificate pursuant to Regulation 17(8) of SEBI (Listing Obligations Disclosure Requirements Regulations, 2016 ("Listing Regulations")

In accordance with Regulation 17(8) of Listing Regulations and based upon representation as we considered appropriate and necessary, we certify to the best of our knowledge and belief that:

We have reviewed the Standalone and Consolidated Financial Statements and the Cash Flow Statements for the Financial Year 2023-24 and that to the best of our knowledge and belief:

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
- these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards including Ind AS, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the (suspended) Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and (suspended) Audit Committee:

- that there are no significant changes in internal controls over financial reporting during the year;
- that the accounting policies have been applied consistently with those adopted in the financial statements for the previous year except where a new issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use; and
- that there are no instances of significant fraud of which they have become aware and the involvement therein, if any, of management of an employee having significant role in the Company's internal control system over financial reporting.

For **McNally Bharat Engineering Company Limited**
Pradyuman Baidya
Chief Financial Officer

5th June 2024
Kolkata

Financial Section

Independent Auditors' Report

To the Members of McNally Bharat Engineering Company Limited

Report on the Audit of the Standalone Financial Statements

Adverse Opinion

We have audited the accompanying Standalone Financial Statements of McNally Bharat Engineering Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us because of the significance of the matter described in the Basis for Adverse Opinion section of our report, the aforesaid Standalone Financial Statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also does not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its loss including Other Comprehensive Income, its changes in equity and Statement of cash flows for the year ended on that date.

Basis for Adverse Opinion

a) Current Assets, Current Liabilities and Capital Work – in – Progress

i. We draw attention to Note 44 to the Standalone Financial Statements regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets and Advance from Customer being subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/ settlements of claims and adjustments arising therefrom, if any. Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.

ii. We draw attention to Note 6(d) to the Standalone Financial Statements, Claims Recoverable (BG Encashed) amounting to Rs. 36,183.70 Lakhs, including Rs. 11,677.58 Lakhs under arbitration whose fair value is Rs. 21,454.57 Lakhs are doubtful. Recoverability/Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.

iii. There is no material movement in Capital Work-in-Progress amounting to Rs. 462.62 Lakhs, since 31st March, 2016. In absence of any audit evidence, we are unable to ascertain the impact or adjustments required and comment on the same.

b) Non-adjustment of the Carrying Value of Loan

In earlier years, the Company had given unsecured loan to Vedica Sanjeevani Projects Private Limited ("VSPL"). VSPL vide their letter dated 15th February, 2022 informed the Company that it was unable to service the debt and requested the Company for a moratorium on the repayment of the loan, including interest for two years i.e., Financial Year 2021-22 and Financial Year 2022-23. Subsequently, the Company has stopped recognizing interest income on the same. In absence of any further communication between the Company and VSPL made available to us, we are unable to comment on the realizability of loan and its interest and consequential adjustment to be made in the books.

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

c) Recognition of Deferred Tax Assets

Note 7 to the Standalone Financial Statements mentions that the Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018, which is being carried forward in the books by the Company expecting adequate future taxable profits after infusion of fresh funds in the Company by the successful Resolution Applicant against which such deferred tax assets would be adjusted.

The Company has been continually incurring losses and its net worth has been fully eroded. We are unable to obtain sufficient appropriate audit evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 31st March, 2024.

This constitutes a material departure from the requirements of Indian Accounting Standard 12 "Income Taxes".

Independent Auditors' Report *(Contd.)*

Material Uncertainty Related to Going Concern

The Company has reported a net loss in the current year amounting to Rs. 88,326.28 Lakhs (previous year Rs 2,47,120.74 Lakhs) before comprehensive income and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers and the successful implementation of the resolution plan as approved by the Hon'ble National Company Law Tribunal. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

However, we could not gather sufficient evidence with respect to the management's assertion and in the absence of required documents/evidence are unable to comment on the preparation of the Statement.

Emphasis of Matters

a) Approval of Resolution Plan by the Committee of Creditors/ NCLT

Note 40 to the Statement informs that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018- 2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP submitted the application before the Hon'ble NCLT on 3rd August 2023 for its final approval. On the 19th December 2023, Hon'ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon'ble NCLT, the Implementation and Monitoring Committee ("IMC") is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation. However, the effect of the order on the financial statements of the Company shall be done only after fulfilling the condition as per the NCLT order and the resolution plan submitted by the Resolution Applicant.

b) Non-Assessment of Pending Litigations

Note 42 to the Standalone Financial Statements refers to the Company's receipt of regulatory Enquiries/ Notices/ Summons/ Show-Cause/ Demand/ Orders from various government authorities such as departments of Goods and Services Tax, Income Tax, etc. In view of Company's admission under CIRP, all existing civil / legal proceedings will be kept in abeyance as moratorium is in force under section 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Standalone Financial Statements as of now.

c) Recognition of Interest Expense

As referred to in Note 43 of the Statement, the Company has recognized interest expense for the year ended 31st March, 2024 on Bank Borrowings, Inter Corporate Deposits, and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 73,333.91 Lakhs as estimated by the management.

d) Recognition of interest on outstanding balances of MSME vendors

The company has not provided us with the appropriate audit evidence relating to the identification of balances of MSME parties on which the interest is recognised.

Our opinion on the Standalone Financial Statements is not modified in respect of these matters.

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. In addition to the matters described in the Basis for Adverse Opinion section and Emphasis of Matters section of our report, we have determined the matters described below to be the key audit matters to be communicated in our Report.

Independent Auditors' Report *(Contd.)*

Sr. No.	Key Audit Matters	Auditors' Response to Key Audit Matters
1	**Estimated Cost to complete the Project / Revenue Recognition:** **(Refer note 1(d) to the Standalone Financial Statements)** The Company recognizes revenue under the percentage of completion method as specified under Indian Accounting Standard 115 "Revenue from Contract with Customers". Recognition of revenue requires estimation of total contract cost which comprises of the actual cost incurred till date and estimated cost further to be incurred to complete the projects. Estimation of the cost to complete involves the exercise of significant judgment by management including assessment of technical data and hence identified as a Key Audit Matter.	Our audit approach was a combination of test of internal controls and substantive procedures which includes the following: 1. Tested the design, implementation, and operating effectiveness of the controls surrounding the determination and approval of estimated cost. 2. Verified the contracts with customers on a check basis including the actual cost incurred and terms and conditions related to the variation of the cost. 3. Discussed with the project management teams for certain selected projects to assess the reasonableness of the estimated cost to be incurred for completing the respective projects. 4. Obtained and relied on the Management Certificate for supporting the accuracy of the estimate of the total cost of the project for selected contracts on test check basis.

Sr. No.	Key Audit Matters	Auditors' Response to Key Audit Matters
2.	**Provisions and Contingent Liabilities** (Refer note 1(u), 40 and 42 to the Standalone Financial Statements) Prior to the approval of the Resolution Plan, the Company was involved in various tax and other disputes which could potentially result in significant liabilities. Pursuant to the approval of the Resolution Plan by the NCLT, it was determined that no amounts are payable in respect of those litigations as they stand extinguished. The extinguishment of these liabilities depend upon the successful implementation of the Resolution plan. The estimates related to exact outcome of litigations and its possible impact on the financials in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.	We have performed the following procedures to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan: 1. Verified the underlying documents related to litigations and other correspondences with the statutory authorities. 2. Reviewed the provisions of the Order passed by the NCLT to understand the requirements of the said order and evaluated the possible impact. 3. Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS. 4. Discussed with the management on the development in these litigations during the year ended 31st March, 2024. 5. Obtained representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon ('Other Information')

In view of ongoing Corporate Insolvency Resolution Process (CIRP), the management under Monitoring Committee is responsible for the preparation of the Other Information. The Other Information comprises of the information included in the Management Discussion and Analysis, Board's Report including Annexures thereto, Corporate Governance and Shareholders Information but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Independent Auditors' Report *(Contd.)*

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

After reading the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018- 2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP submitted the application before the Hon'ble NCLT on 3rd August 2023 for its final approval. On the 19th December 2023, Hon'ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon'ble NCLT, the Implementation and Monitoring Committee ("IMC") is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation.

However, until the implementation of the Resolution Plan submitted by the Successful Resolution Applicant as per the conditions set out in the NCLT order, the management under the Monitoring Committee is responsible for the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive loss, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed 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 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management under the Monitoring Committee is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management under the Monitoring Committee is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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.

Independent Auditors' Report *(Contd.)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management under the Monitoring Committee.
- Conclude on the appropriateness of management under the Monitoring Committee'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 Standalone 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.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone 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 the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

a) we have sought and except for possible effects of the matters described in the basis for Adverse Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements;

b) except for the possible effects of the matter described in the Basis for Adverse Opinion Section above, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statement.

Independent Auditors' Report *(Contd.)*

d) considering the significance of the matter described in the Basis for Adverse Opinion Section above, in our opinion, the aforesaid Standalone Financial Statements do not comply with the Indian Accounting Standards specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors of the Company, none of the directors is disqualified as on 31st March, 2024 form being appointed as a director in terms of section 164(2) of the Act. However, in view of ongoing CIRP starting from 29th April, 2022, the powers of Board of Directors stand suspended as per section 17 of the Code and such powers are exercised by the Resolution Professional/ Chairman of the Monitoring Committee during the year.

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses Adverse Opinion on the adequacy and operating effectiveness of internal financial control with reference to the financial statement.

g) The adverse remarks on the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section above.

h) The matters described in the Basis for Adverse Opinion section above, specially that relating to Non Adjustment of the carrying value of loan stated in para (b) of that section, adjustment of balances of Current Assets, current liabilities, and Capital Work – In - Progress as per the basis stated in para (a) about pending confirmations and adjustments and Material uncertainty relating to going concern assumption pending implementation of Resolution Plan, in our opinion, may have adverse effect on the functioning of the company.

i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. except for the possible effect of the matter described in the Basis for Adverse Opinion section above, the Company has disclosed the impact of pending litigations on its financial position in the Standalone Financial Statements (Refer Note 30 to the Standalone Financial Statements);

ii. the Company has made provision as required under the applicable law or accounting standards for material foreseeable losses if any on long term contract including derivative contracts; and

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, 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to 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, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend to 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 our audit procedure that has 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 (a) or (b) contain any material misstatement. However, in respect of the earlier year transactions dealing with loans and advances, securities, guarantees etc. as stated in those years which are forming part of the Basis for Adverse Opinion as given above, we are unable to ascertain and/or comment as required under this para.

Independent Auditors' Report *(Contd.)*

v. The Company has not declared or paid any dividend during the financial year.

vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail in the software, except that the audit log is not maintained in case of modification by certain users with specific access and that the audit trail features has not been enabled at the database level to log any direct data changes. During the course of performing our procedures, other than the aforementioned instances where the question of our commenting on the audit trail feature being tampered with did not arise, we did not come across any instances of the audit trail feature being tampered with.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration No. 311017E

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 24051371BKFAFU5699

Place: Kolkata
Date: 05th June, 2024

Annexure A to the Independent Auditor's Report *(Contd.)*

Referred to in Paragraph-1 under 'Report on Other Legal and Regulatory Requirements' section of even date and except for the effects/possible effects of the matters described in the Basis of Adverse Opinion Section of our audit report and material weaknesses described in the Basis for Adverse Opinion in our separate report on the Internal Financial control with reference to Financial Statement.

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property Plant and Equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, Property Plant and Equipment have not been physically verified by the Management during the year.

(c) The Company does not own any immovable property as disclosed in Note 3 on Property, Plant & Equipment to the Standalone Financial Statements. Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use-assets) and intangible assets during the year.

(e) As per the information and explanation given to us and as represented by the management no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.

(ii) (a) The inventories (excluding stocks with third parties), have been physically verified during the year by the Management at reasonable intervals and no discrepancies of 10% or more in aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by them. Keeping in view, the nature of operations, in our opinion, the procedure for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.

(b) Due to the reasons stated in Note No 40 'Pending implementation of the Approved Resolution Plan' as stated there in, no working capital limit in excess of Rs 5 crore has been sanctioned or renewed at any point of time during the year. In respect of such limit sanctioned in earlier years, pending regularization thereof based on the resolution plan is under the finalization by the lender. All the loans taken by the Company are classified under non-performing assets hence, the Company has not filed any quarterly returns with the banks.

(iii) (a) During the year the company has not made investments, provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLP or any other parties. Hence, reporting under clause 3(iii)(a) is not applicable.

(b) Considering the uncertainties of recovery of loan, the terms and conditions of the loans granted amounting to Rs. 1,744.38 Lakhs and guarantees given by the company amounting to Rs. 8,000 Lakhs as at the balance sheet date are prejudicial to the Company's interest.

(c) According to the information and explanations given to us, the loans as described in Note 6(c) to the Financial Statements are repayable on demand and accordingly, the schedule of repayment of principal and payment of interest has not been stipulated and the receipts are not regular.

(d) In case of loans given, the schedule for repayment of principal or payment of interest have not been stipulated and therefore we are unable to comment on the amount overdue for more than ninety days.

(e) According to the information and explanations given to us and based on our examination of the records of the Company, there is no loan or advance in the nature of loans granted, has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

Annexure A to the Independent Auditor's Report *(Contd.)*

(f) The loans or advances in the nature of loans granted in earlier years without specifying any term or period of repayment or repayable on demand as stated above Rs. 1,744.38 Lakhs is outstanding as on 31st March, 2024. The details in respect of these loans are as follows:

Particulars	All Parties
The aggregate amount of loans/advances in nature of loans	**1,744.38 Lakhs**
Total Loans	**3,169.50 lakhs**
Percentage of loans/ advances in nature of loans to the total loans	55.04%

(iv) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has neither granted any loans nor provided any guarantee or security as specified in Section 185 of the Act. The Company has complied with the Section 186 of the Act in respect of loans, investments, guarantees and security, as applicable.

(v) The Company has neither accepted any deposit nor accepted any amount which are deemed to be deposits from the public during the year within the meaning of directives issued by the Reserve Bank of India under sections 73 to 76 of the Act and the rules framed there under to the extent notified. Accordingly, clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the same as maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether the same are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

a) There were certain delays during the year in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax as applicable to it. There were no such delays in respect of amount payable towards Custom Duty, Sales Tax, and other material statutory dues as applicable to it.

The following undisputed statutory dues were unpaid as at 31st March, 2024 for more than six months from the date the same became payable:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount Relates	Due Date
Income TaxAct, 1961	TDS /s 194A	7.15	November,2017	7th December, 2017
		13.59	December,2017	7th January, 2018
		6.61	January, 2018	7th February, 2018
		14.30	February, 2018	7th March, 2018
		43.05	March, 2018	7th April, 2018
		41.21	March, 2019	7th April, 2019
	TDS U/s 194J	7.50	December, 2017	7th January, 2018
		25.00	March, 2018	30th April, 2018

Annexure A to the Independent Auditor's Report *(Contd.)*

b) Details of dues of Sales Tax, Value Added Tax, Service Tax, Central Excise Duty, Goods and Services Tax, Entry Tax and Income Tax which have not been deposited as on 31st March, 2024 on account of disputes are given below::

Name of the Statute	Forum where dispute is pending	Nature of Dues	Financial year to which the amount relates	Amount involved (₹ in Lakhs)
Income Tax Act, 1961	CIT (Appeal)	Income Tax	2015-16	4,776.28
		TDS	2014-15	111.87
		TDS	2015-16	302.82
	AO(TDS)	TCS	2015-16	6.35
	AO(TDS)	TDS	2016-17	322.10
	Income Tax Appellate Tribunal (ITAT)	Income Tax	2016-17	2,370.85
Sales Tax/Value Added Tax Acts	Assistant Commissioner/ Additional Commissioner/ Deputy Commissioner/ Commissioner	Sales Tax and VAT	2008-09 to 2017-18	12,027.78
	Appellate Tribunal and Revisional Board	Sales Tax and VAT	2006-07 to 2017-18	5,739.17
	Supreme Court/ High Court	Sales Tax and VAT	2005-06 to 2017-18	21,054.25
The Central Excise Act, 1944	Custom Excise and Service Tax Appellate Tribunal	Central Excise	2018-19, 2020-21	315.01
	High Court	Central Excise	2016-2017	25.00
The Finance Act, 1994	Custom Excise and Service Tax Appellate Tribunal	Service Tax	2003-04 to 2011-12	1,810.53
Entry TaxAct.	High Court, Supreme Court, Appellate Tribunal, Commissioner Appeal	Entry Tax	2005-08, 2010-11 to 2017-18	975.27
Goods and Service TaxAct, 2017	Deputy Commissioner/ Joint Commissioner	GST	2017-18	4,587.92
	DGGI Maharashtra	GST	2017-19	2,137.14
	Audit Cell Telangana	GST	2017-18 to 2019-20	339.61
	Audit Cell Tamil Nadu	GST	2017-18 to 2019-20	324.61

Annexure A to the Independent Auditor's Report *(Contd.)*

(viii)There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, clause 3(viii) of the Order is not applicable.

(ix) (a) (i) The Company has defaulted in repayment of loans and borrowings to Banks and the details of continuing default in repayment of loans or payment of interest as provided to us, are as below:

Nature of borrowing including debt securities	Name of the Lender	Amount not paid on due date (Rs in Lakhs)		No. of days of delay or unpaid		Remarks, if any
		Principal	Interest	Principal	Interest	
External Commercial Borrowing	ICICI Bank	552.39	521.28	1926	1828	The lender has filed the claim to IRP/ RP which is provisionally admitted.
Working Capital Demand Loan	Axis Bank Limited	12,660.41	9,226.99	1831	1831	
	Standard Chartered Bank	3,415.90	2,412.39	1887	1798	
Cash Credit from Banks	Indian Bank (Formerly known as Allahabad Bank)	8,358.77	9,208.27	1817	1817	
	Axis Bank Limited	21,788.79	26,111.04	1831	1831	
	Bank of Baroda	4,102.18	5,413.06	1828	1828	
	Bank of India	45,494.21	43,275.21	1804	1804	
	Canara Bank	2,346.57	2,975.16	1796	1796	
	DCB Bank	280.57	230.40	1462	1462	
	ICICI Bank	18,031.84	24,663.43	1889	1889	The lender has filed the claim to IRP/ RP which is provisionally admitted.
	IDBI Bank	17,552.96	23,495.04	1828	1828	
	Karur Vysya Bank	8,427.14	10,548.74	1893	1893	
	Lakshmi Vilas Bank	94.73	115.79	1252	1252	
	Punjab National Bank*	16,060.33	18,459.05	1840	1840	
	Standard Chartered Bank	2,571.24	3,050.78	1798	1798	
	State Bank Of India	25,001.29	39,206.53	1770	1770	
	UCO Bank	567.80	1,286.62	1462	1462	
	Union Bank	15,194.79	14,618.90	1798	1798	

(ii) According to the information and explanations given to us, the loans and interest thereon that have been demanded for repayment by the other lenders during the year is provided below::

Nature of Borrowing including debt securities	Name of the Lender	Amount not paid on due date (₹in Lakhs)		No. of days of delay or unpaid	
		Principal	Interest	Principal	Interest
Inter Corporate Borrowings	Other Lenders	1,08,271.57	28,976.82	591	591

(a) The Company has not taken any loan from the Financial Institution or Government nor issued any debentures during the year.

(b) According to the information, explanation and representation given to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

Annexure A to the Independent Auditor's Report *(Contd.)*

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements, the Company has not raised any funds on short-term basis during the year. Accordingly, clause 3(ix)(d) of the order is not applicable.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint ventures. Accordingly, clause 3(ix)(e) of the order is not applicable.

(f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) of the order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, no case of fraud by the Company or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT–4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii)(a), (b) and (c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has complied with the provisions of Sections 177 and 188 of the Act, where applicable for transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on the examination of records we considered necessary, the company has an internal audit system commensurate with the size and nature of its business, subject to the observation set out in point no. (b) hereinbelow:

(b) Internal audit was conducted by the company during the financial year 2023-24 but the report issued by the internal auditors for the period is incomplete as it did not include the responses received from the management. Hence, the report is not considered by us during the course of our audit..

(xv) According to the information and explanations given to us and based on our examination of records, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with directors during the year. Accordingly, Clause 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934. Accordingly reporting under clause 3(xvi)(a),(b),(c) and (d) of the Order is not applicable.

(xvii) Based on the examination of records, the Company has incurred cash losses of Rs 87,927.97 Lakhs in the current financial year and Rs 2,46,714.83 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditors of the Company during the year and accordingly clause 3 (xviii) of the order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Management under Monitoring Committee and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report *(Contd.)*

(xx) Based on our examination of records of the Company and information and explanations given to us, the requirement of Section 135 of the Act is not applicable to the company. Hence, paragraph 3(xx) (a) and (xx) (b) of the Order is not applicable.

For **V. Singhi & Associates**

Chartered Accountants

Firm Registration No. 311017E

(Aniruddha Sengupta)

Partner

Membership No. 051371

UDIN: 24051371BKFAFU5699

Place: Kolkata

Date: 05th June, 2024

Annexure B to the Independent Auditor's Report

Referred to in Paragraph 2(f) on Other Legal and Regulatory Requirements of our Report to the members of McNally Bharat Engineering Company Limited of even date

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In connection with our audit of the Standalone Financial Statements of McNally Bharat Engineering Company Limited ("the Company") as of and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to Standalone Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

The respective Management under Monitoring Committee of the Company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements of future periods are subject to the risk that the internal financial controls with reference to financial statements may

Annexure B to the Independent Auditor's Report *(Contd.)*

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the company's internal financial control over financial reporting with reference to financial statements as at 31st March, 2024:

(i) with respect to the Company not establishing an internal control framework relating to all components of internal control and consequently controls have not been designed to evaluate the appropriateness of the carrying amount of deferred tax, Impairment of trade receivable and other financial assets and recognition of gain on fair valuation of financial assets.

(ii) with respect to receivables appropriate provisioning did not operate effectively which resulted in non-ascertainment of adequate provisioning against the receivables.

(iii) with respect to loan given the company did not have appropriate system to evaluate the credit worthiness of the party and recoverability of monies given including interest thereon and also ensuring the compliances with respect to provisions of the Companies Act, 2013 so that these are not considered to be prejudicial to the interest of the Company.

(iv) Certain individual details of debit and credit balances and reconciliation thereof with control balances of receivable/payable, identification of MSME vendors, including supporting evidence for movement thereof as given in Note no. 31 of the financial statement were not available. IT Control systems and procedures needs strengthening in terms of framework for Internal Control over financial reporting with reference to financial statements taking into account related controls and procedures as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India so as to facilitate required reconciliations and provide details for documentation with respect to internal financial controls in the respective areas.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion as well as to the best of our information and according to the explanation given to us, because of the effects of the material weakness as described above on the achievement of the objectives of the control criteria ,the Company has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as at 31st March, 2024 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

We have considered the material weakness identified and report in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company for the year ended 31st March, 2024, and these material weaknesses have affected our opinion on the said financial statements of the company.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration No. 311017E

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 24051371BKFAFU5699

Place: Kolkata
Date: 05th June, 2024

Standalone Balance Sheet as at 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,420.57	1,670.83
Right to use Assets	3	32.49	97.47
Capital work-in-progress	3	462.62	462.62
Other Intangible assets	4	62.20	56.54
Financial Assets			
i. Investments	5	136.09	124.80
ii. Other Financial Assets	6(d)	12.14	5.04
Deferred tax assets (net)	7	51,706.60	51,706.60
Total Non-current Assets		**53,832.71**	**54,123.90**
Current assets			
Inventories	8	37.12	74.68
Financial Assets			
i. Trade Receivables	6(a)	74,203.90	75,237.37
ii. Cash and cash equivalents	6(b)	1,706.98	2,948.23
iii. Bank balances other than (ii) above	6(b)	325.16	11.37
iv. Loans	6(c)	1,744.38	1,744.38
v. Other financial assets	6(d)	28,068.01	34,290.70
Current Tax Assets (net)	9	212.68	230.89
Other current assets	10	39,567.02	40,844.45
Total Current Assets		**1,45,865.25**	**1,55,382.07**
Total Assets		**1,99,697.96**	**2,09,505.97**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	21,157.08	21,157.08
Other equity	11(b)	(4,41,961.27)	(3,53,712.41)
Total Equity		**(4,20,804.19)**	**(3,32,555.33)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease Liabilities	12(c)	-	24.22
Provisions	13	199.18	259.06
Total Non-current Liabilities		**199.18**	**283.28**
Current liabilities			
Financial Liabilities			
i. Borrowings	12(b)	3,10,773.49	3,10,509.51
ii Lease Liabilities	12(c)	38.76	87.60
iii. Trade payables	12(e)		
Total outstanding dues of micro enterprises and small enterprises		187.12	184.22
Total outstanding dues of creditors other than micro enterprises and small enterprises		22,142.38	22,666.51
iv. Other financial liabilities	12(d)	2,82,529.93	2,03,112.40
Provisions	13	87.72	92.32
Other current liabilities	14	4,543.57	5,125.46
Total Current Liabilities		**6,20,302.97**	**5,41,778.02**
Total Liabilities		**6,20,502.15**	**5,42,061.30**
Total Equity and Liabilities		**1,99,697.96**	**2,09,505.97**
Significant Accounting Policies	1-2		

The above standalone balance sheet should be read in conjunction with the accompanying note nos. 1 to 50.

This is the statement of Balance Sheet referred to in our report of even date.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Aniruddha Sengupta)
Partner
Membership Number: 051371

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Place: Kolkata
Date : 5th June, 2024

Standalone Statement of Profit & Loss for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from operations	15	16,761.28	22,827.54
Other income	16	4,739.36	4,178.77
Total income		**21,500.64**	**27,006.31**
Expenses			
Cost of Materials Consumed	17	7,552.03	12,321.63
Outsourcing Expenses to Job workers		7,521.21	9,644.30
Employee Benefit Expense	18	2,962.03	3,779.57
Finance Costs	19	83,377.18	1,93,536.72
Depreciation and Amortisation expense	20	320.90	396.87
Other Expenses	21	8,093.57	28,680.47
Total expenses		**1,09,826.92**	**2,48,359.56**
Exceptional Item	23	-	25,767.49
Profit / (Loss) before tax		**(88,326.28)**	**(2,47,120.74)**
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total Tax Expense		**-**	**-**
Profit / (Loss) for the year		**(88,326.28)**	**(2,47,120.74)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit plans (net of taxes)		77.41	9.04
Other Comprehensive Income for the year		**77.41**	**9.04**
Total Comprehensive Income/(Loss) for the year		**(88,248.87)**	**(2,47,111.70)**
Earnings Per Share	35		
Basic Earnings Per Share (Face value of INR 10 each)		(41.75)	(116.80)
Diluted Earnings Per Share (Face value of INR 10 each)		(41.75)	(116.80)
Material Accounting Policies, Judgement, Estimates and Assumptions	1-2		

The above standalone Statement of Profit and Loss should be read in conjunction with the accompanying note nos. 1 to 50.

This is the statement of Profit and Loss referred to in our report of even date.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

(Aniruddha Sengupta)
Partner
Membership Number: 051371

Place: Kolkata
Date : 5th June, 2024

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Notes	Equity Share Capital
As at 31st March, 2022		**21,157.08**
Changes in Equity Share Capital	11(a)	-
As at 31st March, 2023		**21,157.08**
Changes in Equity Share Capital	11(a)	-
As at 31st March, 2024		**21,157.08**

B. Other Equity

Particulars	Notes	Reserves and Surplus					Total
		Securities Premium	Retained Earnings	Capital Redemption Reserve	General Reserve	Other Reserves	
Balance as at 1st April, 2022		1,12,869.05	(2,21,120.39)	101.00	1,549.64	83,804.25	(22,796.45)
Profit/(Loss) for the year	11(b)	-	(2,47,120.74)	-	-	-	(2,47,120.74)
Other Comprehensive Income/ (Loss) for the year	11(b)	-	9.04	-	-	-	9.04
Total Comprehensive Income/ (loss) for the year		-	(2,47,111.70)	-	-	-	(2,47,111.70)
Reversal of Fair value gain on Financial Liabilities		-	-	-	-	(83,804.25)	(83,804.25)
Balance at 31st March, 2023		**1,12,869.05**	**(4,68,232.09)**	**101.00**	**1,549.64**	**-**	**(3,53,712.41)**
Profit/(Loss) for the year	11(b)	-	(88,326.28)	-	-	-	(88,326.28)
Other Comprehensive Income/ (Loss) for the year	11(b)	-	77.41	-	-	-	77.41
Total Comprehensive Income/(loss) for the year		**-**	**(88,248.87)**	**-**	**-**	**-**	**(88,248.87)**
Balance at 31st March, 2024		**1,12,869.05**	**(5,56,480.96)**	**101.00**	**1,549.64**	**-**	**(4,41,961.27)**

Note :

An amount of Rs. 620 Lakhs (including Securities Premium of Rs. 520 Lakhs) was received by the Company as 25% subscription money from two parties towards allotment of 40,00,000 Equity Share Warrants. On non-exercise of their option attached to the warrants for subscription of Equity Shares of the Company, the Company has forfeited the amount during the financial year 2019-20.

Standalone Statement of Changes in Equity for the year ended 31st March, 2024

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying note nos. 1 to 50.
This is the statement of Changes in Equity referred to in our report of even date.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

(Aniruddha Sengupta)
Partner
Membership Number: 051371

Place: Kolkata
Date : 5th June, 2024

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flow from operating activities		
Profit/(Loss) before income tax	**(88,326.28)**	**(2,47,120.74)**
Adjustments for:		
Exceptional items	-	25,767.49
Depreciation Expenses	320.90	396.87
Finance Costs	83,377.18	1,93,536.72
Interest Income	(4,232.33)	(3,994.55)
Loss/(Profit) on Disposal of Property, Plant and Equipment (Net)	0.00	0.68
Provision for Slow moving Stock	29.27	44.29
Liquidated Damages	-	6,349.88
Expected credit loss provided for/(written back)	(105.77)	14,193.46
Receivables written off	9.99	5,328.50
Provision for Future Foreseeable Losses in Construction Contracts	5,522.86	(533.78)
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	13.15	141.99
Liability no longer required written back	(1.33)	-
Net (gain)/loss on financial assets measured at fair value through profit or loss	(11.29)	2.98
Cash flow from operating activities before change in operating assets and liabilities	**(3,403.65)**	**(5,886.21)**
(Increase)/Decrease in trade receivables	1,133.41	(364.88)
(Increase)/Decrease in inventories	8.29	46.85
Increase/(Decrease) in trade payables	(529.35)	1,105.38
(Increase)/Decrease in other financial assets	231.75	(568.03)
(Increase)/decrease in other current assets	1,277.43	4,968.92
Increase/(decrease) in provisions	12.93	78.15
Increase/ (decrease) in other financial liabilities	560.76	(264.17)
Increase/ (decrease) in other liabilities	(581.90)	(66.04)
Cash generated from operations	**(1,290.33)**	**(950.03)**
Income taxes (paid)/Refund (net)	18.21	642.54
Net cash inflow / (outflow) from operating activities	**(1,272.12)**	**(307.49)**
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(0.80)	(0.14)
Purchase of Other Intangible assets	(10.50)	(10.50)
Proceeds from sale of Property, Plant and Equipment	-	-
Deposits matured/(made) during the year	(321.51)	(1.83)
Interest received	247.54	107.39
Net cash inflow / (outflow) from investing activities	**(85.27)**	**94.92**

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flows from financing activities		
Proceeds from borrowings	277.61	3,992.28
Repayment of borrowings	(21.49)	(2,998.11)
Lease Repayment	(73.06)	(87.60)
Finance Cost	(66.92)	(158.18)
Net cash inflow / (outflow) from financing activities	**116.14**	**748.39**
Net increase / (decrease) in cash and cash equivalents	**(1,241.25)**	**535.82**
Cash and cash equivalents at the beginning of the financial year	2,948.23	2,412.41
Cash and cash equivalents at end of the year	**1,706.98**	**2,948.23**

Particulars	31st March 2024	31st March 2023
Cash on hand	0.84	1.11
Balance with Banks in Current Account	946.09	1,987.61
Balance with Banks in Cash Credit Account	6.15	6.15
Deposits with maturity of less than three months	753.90	953.36
Total Cash & Cash equivalents at the end of the year	**1,706.98**	**2,948.23**

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) - Statement of cash flows.
2. Previous period figures have been regrouped / rearranged wherever necessary.

The above standalone statement of cash flows should be read in conjunction with the accompanying note nos. 1 to 50.
This is the statement of cash flows referred to in our report of even date.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Aniruddha Sengupta)
Partner
Membership Number: 051371

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Place: Kolkata
Date : 5th June, 2024

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Corporate Information

McNally Bharat Engineering Company Limited (MBECL) is a Company limited by shares, incorporated and domiciled in India. The registered office of the Company is located at Four Mangoe Lane, Kolkata- 700001 and Corporate Office is located at Campus 2B, Ecospace Business Park, 11F/12 Rajarhat, New Town, Kolkata- 700156. The Company's Equity Shares are listed on National Stock Exchange and Bombay Stock Exchange. The Company is engaged in diversified construction activities, primarily execution of Turnkey Projects.

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide order dated 29.04.2022 while admitting section 7 application under Insolvency and Bankruptcy Code, 2016 of one of the financial creditors, initiated Corporate Insolvency Resolution Process against the company.

CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was initially appointed as the Interim Resolution Professional in the said matter. Subsequently, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dated 26.08.2022.

The Hon'ble National Company Law Tribunal, Kolkata bench-Court-I (NCLT) has approved the Resolution plan of one of the successful resolution applicants, namely M/s BTL EPC LTD vide its order dated 19.12.2023.

The Resolution plan of M/s BTL EPC Limited has not been implemented till now. The Committee of creditors of the company filed an application with Hon'ble NCLT to seek appropriate directions and recourse with respect to approved resolution plan and the CIRP of the company. The matter is pending and sub-judice.

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

The Monitoring Committee has approved the standalone financial statements for the year ended 31st March, 2024 authorized for issue on 5th June, 2024.

Note 1: Material Accounting Policies

(a) Basis of Preparation of Standalone Financial Statements

(i) Compliance with Ind AS

The Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in these Standalone Financial Statements.

(ii) Historical cost convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.
- Share-based Payments

(iii) Current versus Non-Current Classification

All assets and liabilities have 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 Act. 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, on an average its operating cycle for the purpose of current – non-current classification of assets and liabilities to be 12 months.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(iv) Use of estimates and judgments

The estimates and judgments used in the preparation of the Standalone Financial Statements are continually evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results may differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods are affected.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(b) Segment Reporting

The Company is primarily engaged in Engineering, Procurement and Construction business (EPC). Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e., Chief Operating Officer and Chief Financial Officer for the purpose of resource allocation and assessing performance focuses on the business as a whole. The CODM reviews the Company's performance on the analysis of profit before tax at an overall level. Further, there are no reportable geographical segments since significant business is within India. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

(c) Foreign Currencies

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in in the Standalone Statement of Profit and Loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Standalone Statement of Profit and Loss.

(i) Functional Currency

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (INR), which is the functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Standalone Statement of Profit and Loss.

Foreign exchange differences regarded as adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Standalone Statement of Profit and Loss on a net basis within other gains / (losses).

Non – monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Revenue Recognition

The Company derives revenues primarily from turnkey solutions in the areas of Power, Steel, Aluminum, Material Handling, Mineral Beneficiation, processing, Pneumatic Handling of powdered materials including fly ash handling and high concentrate disposal, coal washing, Port cranes, Cement, Oil & Gas, civic and industrial water supply etc. (together called as "turnkey solutions").

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable considerations) allocated to that performance obligation. The transaction price of goods and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as per the contract.

(i) Sale of Goods and services

For contracts with customers in which the sale of equipment is generally expected to be the only performance obligation, adoption of Ind AS 115 does not have any material impact on the Company's revenue and profit or loss. The Company has concluded that the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods as per the terms of the contracts with the customers.

Revenue from the sale of goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services is recognized in accounting period in which services are rendered. Revenue is recognized based on the actual service provided till the end of the reporting period as a proportion of the total services be provided (percentage of completion method).

(ii) Construction Contracts

Revenue from contracts are recognised with reference to the stage of completion method in accordance with Ind AS - 115. Obligations under the long term construction contracts are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Company. Revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

The outcome of a construction contract is considered as estimated reliably when (a) all critical approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches reasonable level of development. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included as a liability as advances received. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(iii) Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Export Benefits

Export incentives are accounted for in the year in which the entitlements are realised.

(v) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

(e) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax expense/ (income).

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used till the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity. In such cases, the taxes are also recognised in Other Comprehensive Income or directly in Equity, as the case may be.

(f) Leases

At inception of a contract, the entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

exchange for consideration.

As a Lessee (Assets taken on lease)

The Company recognizes a Right-of-use Asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, if applicable. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re measuring the carrying amount to reflect any reassessment or lease modifications. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or those payments occur.

As a Lessor

Lease income from operating lease where the Company is a lessor is recognised in income. The respective leased assets are included in the Standalone Balance Sheet based on their nature.

(g) Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(h) Cash and Cash Equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand, demand deposits with banks, other short-term deposits, highly liquid investments, if any, 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 Standalone Balance Sheet.

(i) Trade Receivables

Trade receivables are recognized initially at the transaction price and subsequently recognized at amortised cost less provision for impairment.

(j) Inventories

Inventories consist of raw materials and components, stores and spares, loose tools which are valued at cost and work in progress, and finished goods which are stated at lower of cost or net realizable value. Cost of inventories comprises cost of purchases. Cost of work in progress and finished goods comprise direct material, direct labor and an appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Cost of purchases in relation to inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

(k) Financial Liabilities

Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in the Standalone Statement of Profit and Loss. Where there is a 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 becomes 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.

(ii) Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as required by Ind AS 109. All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Standalone Statement of Profit and Loss when the liabilities are de recognised as well as through the EIR amortisation process.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(iii) De-recognition of financial liabilities:

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

(l) Investments and Other Financial Assets

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss, and
- Those measured at amortized cost.
- Those to be measured subsequently at fair value through other comprehensive income, and

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses will be recorded in the Standalone Statement of Profit and Loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Standalone Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Further, in respect of retention amount receivable from customers the management generally has intention to provide bank guarantee to get an instant release of retention amount from customers. Therefore, the retention amounts are generally carried at amortized cost less provision for impairment.

Investments in Subsidiaries and Joint Ventures are recognized at cost as per Ind AS 27 "Separate Financial Instruments" less impairment provision, if any, as per Ind AS 36 "Impairment of Financial Assets". Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint venture and Associates the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

(a) Debt instruments measured at amortized cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(b) Equity instruments at Fair value through Profit or loss (FVTPL) - The Company subsequently measures all equity investments other than in subsidiaries and joint venture at fair value through profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of equity instruments at fair value through profit or loss are recognized in other gain/ (losses) in the Standalone Statement of Profit and Loss. The Company has not selected the irrevocable option of classifying investments to be carried at Fair Value through Other Comprehensive Income (FVOCI).

(iii) Impairment of Financial Assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company provides for expected credit loss allowance by taking into consideration historical trend, industry practices and the business environment in which the company operates. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Standalone Statement of Profit and Loss.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

For trade receivables and due from customers, the Company applies the simplified approach permitted by Ind AS 109 Fina ncial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(iv) De recognition of Financial Assets

A financial asset is derecognized only when the contractual rights to receive the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(m) Derivatives that are not designated as hedges

Derivatives are initially recognsied at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Such contracts are accounted for at fair value through profit or loss and are included in other gains / losses. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(n) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(o) Property, Plant and Equipment

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if:

i. it is probable that future economic benefits associated with the item will flow to the entity; and

ii. the cost of an item can be measured reliably.

All items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Property, plant and equipment which are not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use.

(i) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which in a case is different than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets as given below. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Class of Assets	Useful Lives as followed by the management
Plant and Machinery	3 to 20 years

Management believes that useful lives of these assets reflect the periods over which these assets are expected to be used.

An asset's carrying amount is written down immediately to its recoverable amount if, and only if, the recoverable amount of an asset is less than its carrying amount and an impairment loss shall be recognized immediately in the Standalone Statement of Profit and Loss. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Standalone Statement of Profit and Loss within other gains/ losses.

(p) Investment Properties

Property that is held for long term rental yields or for capital appreciation or both, and is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to Statement of Profit and Loss during the reporting period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced cost is derecognized.

Investment properties are depreciated using straight line method over the estimated useful lives.

On transition to Ind AS, the group has elected to continue with the carrying value of its investment properties measured at the previous GAAP and use that carrying value as the deemed cost of investment properties.

(q) Intangible Assets

Intangible Assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment, if any.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets measured at the previous GAAP and use that carrying value as the deemed cost of intangible assets."

(i) Computer Software

Costs incurred on computer software resulting in future economic benefits are capitalized as Intangible Assets.

Intangible Assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining software programs are recognised as an expense as incurred. Cost of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

(ii) Research and Development

Expenditure on Research and Development that does not meet the criteria laid out in the standard are recognized as expenses as and when incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent period.

Development costs are recognised as intangible assets when the following criteria are met:

1. it is technically feasible to complete the intangible asset so that it will be available for use,
2. management intends to complete the intangible asset and use or sell it,
3. there is an ability to use or sell the intangible asset,
4. it can be demonstrated how the intangible asset will generate probable future economic benefits,

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

5. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and

6. the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(iii) Amortisation methods and periods

Computer software is amortized on a straight-line basis over a period of three years.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Standalone Statement of Profit and Loss within other gains/ losses.

(r) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(s) Borrowings

Borrowings are initially recognized at fair 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 profit and loss over the period of borrowings using the effective interest method.

Preference Shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these Preference Shares are recognized in the Standalone Statement of Profit and Loss as finance costs.

Borrowings are derecognised from the Standalone 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 the Standalone Statement of 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 12 months after the reporting period.

(t) Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale.

Other borrowing costs are expensed to the Standalone Statement of Profit and Loss in the period in which they are incurred.

(u) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated.

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 discount rate does not reflect risks for which future cash flow estimates have been adjusted. The increase in the provision due to the passage of time is recognised as interest expense in the Standalone Statement of Profit and Loss.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future

Notes forming part of the Standalone Financial Statements

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events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or amount of the obligation cannot be measured with sufficient reliability.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information of previous 18 months' sales on an average, management estimates regarding possible future incidence based on corrective actions on product failure.

(v) Employee Benefits

(i) Short – term Obligations

Liabilities for wages and salaries, including compensated absences which are expected to be availed or encashed within 12 months after the year end and non - monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The obligations are presented as non-current liabilities in the Standalone Balance Sheet if the entity does not expect actual settlement will occur within the operating cycle after the reporting period.

Employees' State Insurance Scheme: Contribution to Central Government of India administered Employees' State Insurance Scheme for eligible employees is recognized as charge in the Standalone Statement of Profit and Loss in the year in which they are accrued.

(ii) Other Long Term Employee Benefit Obligations

The liabilities for earned leave, sick leave and long service award are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit Method. The benefits are discounted using the yield on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Standalone Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur.

The obligations are presented as current liabilities in the Standalone Balance Sheet if the entity does not have an unconditional right to defer settlement for at least the operating cycle after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Defined Benefit Plans

The Company operates defined benefit plans such as Gratuity, Post - employment medical obligations and Provident Fund (administered by independent Trust).

The Company provides for gratuity covering eligible employees in accordance with Payment of Gratuity Act, 1972. The plan provides for lump sum payment to vested employees at retirement, death, incapacitation or termination of employment. The gratuity fund is administered by independent Trustees. Plan assets are managed by Life Insurance Corporation of India (LICI).

The Company provides for post – retirement medical benefits to eligible retired employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

The Company has a provident fund benefit plan which is administered by the independent Provident Fund Trust.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. The Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall, it is categorized as a defined benefit plan.

The liability or asset recognized in the Standalone Balance Sheet in respect of the above defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

- Superannuation Fund

This is the defined contribution plan. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

- Gratuity

This is a defined benefit plan. The schemes, which are funded with Life Insurance Corporation of India (LIC), are administered by independent trusts. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Standalone Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost

- Bonus plans

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(w) Non- Current Assets held for sale.

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats the sale of the asset or disposal group to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset (or disposal group),

b) An active programme to locate a buyer and complete the plan has been initiated (if applicable),

c) The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

Notes forming part of the Standalone Financial Statements

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d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

(x) Other Assets held for sale

Any other asset (tangible or intangible) held for sale is disclosed separately in Financial Statements, as appropriate. PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

(y) Exceptional items

When items of income and expenses within the statement of profit and loss from ordinary activities are of such size, nature and or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(z) Contributed Equity

Equity Shares are classified as equity. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

(aa) Dividends Payment

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(ab) Earnings Per Share

(i) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing:

- Profit/ (Loss) attributable to equity shareholders of the Company
- By the weighted average number of Equity Shares outstanding during the financial year.

(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

- Profit/(Loss) after income tax effect of interest and other financing costs associated with dilutive potential Equity Shares, and
- The weighted average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares.

(ac) Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, the effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Rules are stated below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its financial statements.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 107 - Financial Instruments Disclosures

This amendment has made an addition which says that "Information about the measurement basis for financial instruments used in preparing the financial statements is material accounting policy information and is to be disclosed." The Company has evaluated the amendment and there is no impact on its financial statements.

Apart from above, consequential amendments and editorials have been made to other Ind AS like Ind AS 34, Ind AS 101, Ind AS 103, Ind AS 109 and Ind AS 115.

(ac) Rounding off amounts

All amounts disclosed in the Standalone Financial Statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III to the Act unless otherwise stated.

Note 2: Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Standalone Financial Statements requires management to make judgments, estimates and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Standalone Financial Statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the Standalone Financial Statements.

In the process of applying the company's accounting policies, management has made the following estimates, judgments and assumptions, which have the significant effect on the amounts recognised and disclosed in the Standalone Financial Statements:

1. Going Concern Assumptions in the preparation of the Standalone Financial Statements.
2. Expected Cost of Completion of Contracts.
3. Fair Value Measurement of Financial Instruments.
4. Impairment of Investments in Joint Venture and Subsidiaries
5. Recognition of Deferred Tax Assets for carried forward tax losses
6. Impairment of Trade Receivables and due from customer.
7. Provisions, Claims and Contingent Liabilities
8. Estimation of Defined Benefits Obligation
9. Useful life of Property, Plant and Equipment

Estimates and judgments are continually evaluated on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 3: Property, Plant and Eqiutment

Particulars	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total	Capital work-in-progress	Right to Use Assets
1st April, 2023							
Opening Gross Carrying Amount	**9,765.28**	**678.33**	**44.64**	**109.97**	**10,598.24**	**462.62**	**194.94**
Additions	0.80	-	-	-	0.80	-	-
Disposals/Adjustments	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**9,766.08**	**678.33**	**44.64**	**109.97**	**10,599.04**	**462.62**	**194.94**
Accumulated Depreciation							
Opening Accumulated Depreciation	**8,166.50**	**644.09**	**39.90**	**76.90**	**8,927.39**	**-**	**97.47**
Depreciation charged during the year	237.64	8.51	1.47	3.46	251.08	-	64.98
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing Accumulated Depreciation	**8,404.14**	**652.60**	**41.37**	**80.36**	**9,178.47**	**-**	**162.45**
Net carrying amount as at 31st March, 2024	**1,361.94**	**25.74**	**3.27**	**29.61**	**1,420.57**	**462.62**	**32.49**
1st April, 2022							
Gross Carrying Amount							
Opening gross carrying amount	**9,765.28**	**678.24**	**58.12**	**109.92**	**10,611.57**	**462.62**	**194.94**
Additions	-	0.09	-	0.05	0.14	-	-
Disposals/Adjustments	-	-	(13.48)	-	(13.48)	-	-
Closing Gross Carrying Amount	**9,765.28**	**678.33**	**44.64**	**109.97**	**10,598.24**	**462.62**	**194.94**
Accumulated Depreciation							
Opening Accumulated Depreciation	**7,858.57**	**628.76**	**51.13**	**70.95**	**8,609.43**	**-**	**32.49**
Depreciation charged during the year	298.77	15.33	1.57	5.44	321.10	-	64.98
Adjustments	9.16	-	-	0.51	9.67	-	-
Disposals	-	-	(12.80)	-	(12.80)	-	-
Closing Accumulated Depreciation	**8,166.50**	**644.09**	**39.90**	**76.90**	**8,927.39**	**-**	**97.47**
Net carrying amount as at 31st March, 2023	**1,598.78**	**34.24**	**4.74**	**33.07**	**1,670.83**	**462.62**	**97.47**

(i) Property, Plant and Equipment pledged as Security

Refer to note 36 on Property, Plant and Equipment and Capital Work-in-progress pledged as security by the Company.

(ii) Capital Commitments

Refer to note 28 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iii) Capital Work-In-Progress Ageing Schedule for the year ended 31st March, 2024 & 31st March, 2023

Capital Work-In-Progress	Amount in CWIP for a period of				
	Less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	Total
31st March 2024					
Projects temporarily susended	-	-	-	462.62	**462.62**
31st March 2023					
Projects temporarily susended	-	-	-	462.62	**462.62**

The Projects are under dispute, hence temporarily suspended for completion

Note 4: Other Intangible Assets

Particulars	Computer Software *
1st April, 2023	
Gross Carrying Amount	
Opening Gross Carrying Amount	78.03
Additions	10.50
Closing Gross Carrying amount	**88.53**
Accumulated Amortisation	
Opening Accumulated Amortisation	21.49
Amortisation charge for the year	4.84
Closing accumulated amortisation	**26.33**
Net carrying amount as at 31st March, 2024	**62.20**
1st April, 2022	
Gross Carrying Amount	
Opening Gross Carrying Amount	67.53
Additions	10.50
Closing Gross Carrying amount	**78.03**
Accumulated Amortisation	
Opening Accumulated Amortisation	20.38
Amortisation charge for the year	1.11
Closing accumulated amortisation	**21.49**
Net carrying amount as at 31st March, 2023	**56.54**

* Computer software consists of other than internally generated intangible assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 5: Non-current Investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investment in Equity Instruments (fully paid-up)		
In Subsidiaries		
Unquoted (at cost)		
99,400 (31st March, 2023 : 99,400) Equity Shares of McNally Bharat Equipments Limited	9.94	9.94
6,49,459 (31st March, 2023 : 6,49,459) Equity Shares of Rs. 10/- each of MBE Mineral Technologies Pte Limited (Cost Rs. 2550.74 , fully impaired)	2,550.74	2,550.74
4,99,99,996 (31st March, 2023 : 4,99,99,996) Equity Shares of ZMK 1 each of MBE Minerals Zambia Limited (Cost Rs. 4.69 , fully impaired)	4.69	4.69
100 (31st March, 2023 : 100) Equity Shares of ZAR 1 each of McNally Bharat Engineering (SA) Proprietary Limited (Cost Rs. 0.13 , fully impaired) - deregistered w.e.f 30th June, 2017)	0.13	0.13
In Joint Ventures		
Unquoted (at cost)		
87,500 (31st March, 2023 : 87,500) Equity Shares of EMC MBE Contracting Company LLC (Cost Rs. 152.31, fully Impaired)	152.31	152.31
Equity Instruments carried at Fair Value Through Profit and Loss		
Quoted		
10,960 (31st March, 2023 : 10,960) Equity Shares of Rs. 5/- each of Eveready Industries India Limited	36.63	31.66
10,960 (31st March, 2023: 10,960) Equity Shares of Rs. 5/- each of McLeod Russel India Limited	2.62	1.86
Total (Equity Instruments)	**2,757.06**	**2,751.34**
Investment in Mutual Funds		
Unquoted		
3,62,970.078 (31st March, 2023 : 3,62,970.078 units of L&T Short Term Opportunities Growth Fund	86.90	81.33
Total (Mutual Funds)	**86.90**	**81.33**
Impairment in the value of Investments carried at cost		
6,49,459 (31st March , 2023 : 6,49,459) Equity Shares of Rs. 10/- each of MBE Mineral Technologies Pte Limited	2,550.74	2,550.74
4,99,99,996 (31st March, 2023 : 4,99,99,996) Equity Shares of ZMK 1 each of MBE Minerals Zambia Limited	4.69	4.69
100 (31st March , 2023 : 100) Equity Shares of ZAR 1 each of McNally Bharat Engineering (SA) Proprietary Limited	0.13	0.13
87,500 (31st March, 2023 : 87,500) Equity Shares of EMC MBE Contracting Company LLC	152.31	152.31
Total Impairment	**2,707.87**	**2,707.87**
Total Non-current Investments	**136.09**	**124.80**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Aggregate amount of market value of Quoted Investments	39.25	33.52
Aggregate amount of unquoted Investments	96.84	91.27
Aggregate amount of impairment in the value of Investments	2,707.87	2,707.87

Note 6(a): Trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Trade receivables - Considered good	94,737.47	95,876.71
Trade receivables - Credit impaired	23,505.19	23,505.19
	1,18,242.66	**1,19,381.90**
Less: Allowance for doubtful receivables & Expected Credit loss Provision	44,038.76	44,144.53
Total receivables	**74,203.90**	**75,237.37**

Trade Receivables Ageing Schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables - Considered Good		3,678.47	951.73	3,606.96	1,791.78	43,615.41	53,644.35
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	-	-	-	-	23,505.19	23,505.19
Disputed Receivables - Considered Good	-	10.52	7.27	67.61	25.44	40,982.29	41,093.12
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	-	-
Total Receivables	**-**	**3,688.99**	**959.00**	**3,674.57**	**1,817.22**	**1,08,102.89**	**1,18,242.66**
Less Allowance for Doubtful trade receivables (including ECL)							44,038.76
Net Total Receivables							**74,203.90**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Trade Receivables Ageing Schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Receivables - Considered Good	1,257.72	3,542.06	3,005.00	2,204.67	3,581.17	41,016.84	54,607.46
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	-	-	-	-	23,505.19	23,505.19
Disputed Receivables - Considered Good	-	66.46	1.15	25.52	47.46	41,128.66	41,269.25
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	-	-
Total Receivables	**1,257.72**	**3,608.52**	**3,006.15**	**2,230.19**	**3,628.63**	**1,05,650.69**	**1,19,381.90**
Less Allowance for Doubtful trade receivables (including ECL)							44,144.53
Net Total Receivables							**75,237.37**

Note 6(b): Cash and cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
- in current accounts*	946.09	1,987.61
- in cash credit accounts*	6.15	6.15
Cash on hand (As certified by the Management)	0.84	1.11
Deposits with mauturity of less three months	753.90	953.36
Total cash and cash equivalents	**1,706.98**	**2,948.23**
Other bank balances		
Deposits with bank*	325.16	11.37
Total other bank balances	**325.16**	**11.37**

*The above figure are subject to Balance Confirmation

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 6(c): Loans

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Loans to others - Considered good	1,744.38	1,744.38
Loans to subsidiaries - Credit impaired	1,425.12	1,425.12
Less: Allowance for doubtful loan receivables	(1,425.12)	(1,425.12)
Total Loans	**1,744.38**	**1,744.38**

Note 6(d): Other financial assets

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non-current	Current	Non-current	Current
Security deposits*	-	1,516.18	-	1,259.83
Deposit for Joint Venture (Refer note 27)		4,149.09		4,149.09
Advance to Employees	-	0.11	-	0.40
Due from customers (Net) (Refer note 34)	-	947.44	-	1,366.86
Earmarked balances with banks (Refer note (i) below)	12.14	0.62	5.04	-
Claim recoverable (Refer note 45)	-	21,454.57	-	27,514.52
Total other financial assets	**12.14**	**28,068.01**	**5.04**	**34,290.70**

(i) Earmarked balances with bank represent balances held for margin money against issue of bank guarantees.

* It includes Rs 552 Lakhs deposit as per direction of High court order against arbitration case.

Note 7: Deferred tax assets

(A) The balance comprises temporary differences attributable to:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Assets on :		
Tax losses	51,540.39	51,540.39
Difference in WDV of Property, Plant & Equipment and Intangible Assets between the Companies Act, 2013 and Income Tax Act, 1961	166.21	166.21
Total deferred tax assets	**51,706.60**	**51,706.60**

The Company had recognised Deferred Tax Assets amounting to Rs 51,706.60 Lakhs upto 31st March, 2018. The Company believes that based on the infusion of fresh funds coming to the company with the Investors support there will be adequate future taxable profits available to the Company against which the Deferred Tax Assets can be utilised. However, the Company has not recognised further Deferred Tax Assets thereafter on prudent basis.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 8: Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw materials *	37.12	74.68
Total inventories	**37.12**	**74.68**

* During the year, the company has written down value of inventory by Rs. 29.27 Lakhs towards slow moving, non moving & obsolete inventory.

Note 9: Current tax assets (net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance income tax (Net of provisions Rs 390.84 Lakhs, Previous Year Rs 390.84 Lakhs)	212.68	230.89
Total current tax assets (net)	**212.68**	**230.89**

Note 10: Other current assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance to suppliers & others*	24,044.28	25,257.39
Balance with statutory/government authorities {Refer note (30c)}**	15,284.09	15,354.63
Prepaid expenses	238.65	232.43
Total other current assets	**39,567.02**	**40,844.45**

** Balances shown are subjected to confirmation and reconciliation with respective parties.(Refer note 44)

**It includes GST input credit of Rs. 130.14 Lakhs blocked by the department in earlier year.

Note 11: Equity Share Capital And Other Equity

(A) Equity Share Capital

Particulars	Equity Shares		Compulsorily Convertible Preference Shares(CCPS)	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
As at 31st March, 2022	24,00,00,000	24,000.00	14,00,00,000	14,000.00
As at 31st March, 2023	24,00,00,000	24,000.00	14,00,00,000	14,000.00
As at 31st March, 2024	**24,00,00,000**	**24,000.00**	**14,00,00,000**	**14,000.00**
Issued, Subscribed and Paid up:				
As at 31st March, 2022	21,15,70,757	21,157.08	-	-
As at 31st March, 2023	21,15,70,757	21,157.08	-	-
As at 31st March, 2024	**21,15,70,757**	**21,157.08**	**-**	**-**

i) Terms and Rights attached to Equity Shares:

"Each Equity Share has a par value of Rs 10/-. It entitles the holder to participate in dividends, and to share upon liquidation of the company in proportion to the number of shares held and amounts paid thereon. Every holder of Equity Shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Terms and Rights attached to Compulsorily Convertible Preference Shares(CCPS):

Each CCPS is compulsorily convertible into one Equity Share at any time within 18 months from the date of allotment. CCPS shall have priority with respect to payment of dividend or repayment of capital over equity shares of the Company.

The holders of CCPS would not participate in the surplus assets and profits on winding up which may remain after the entire capital has been repaid.

Each CCPS would carry a dividend of 1% which would be non cumulative.

ii) Shares of the company held by Holding/Ultimate Holding Company

The Company does not have a Holding Company.

iii) Details of shareholders holding more than 5% of the aggregate Equity Shares in the Company:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	% holding	Number of shares	% holding
Williamson magor & Co Limited	2,23,18,952	10.55	2,23,18,952	10.55
Williamson Financial Services Limited	1,92,14,753	9.08	1,92,14,753	9.08
Babcock Borsig Limited	1,36,64,636	6.46	1,36,64,636	6.46
Sahal Business Private Limited	1,74,47,637	8.25	1,74,47,637	8.25
IL&FS Financial Services Limited	1,61,29,000	7.62	1,61,29,000	7.62
Aditya Birla Finance Limited	1,12,90,000	5.34	1,12,90,000	5.34

Shares held by promoters at the end of the year	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
Promoter Name	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Williamson Magor & Co Limited	2,23,18,952	10.55	2,23,18,952	10.55	-
Williamson Financial Services Limited	1,92,14,753	9.08	1,92,14,753	9.08	-
Babcock Borsig Limited	1,36,64,636	6.46	1,36,64,636	6.46	-
EMC Limited	1,01,37,689	4.79	1,01,37,689	4.79	-
Mcleod Russel India Limited	30,52,295	1.44	30,52,295	1.44	-
Kilburn Engineering Limited	8,54,300	0.40	8,54,300	0.40	-
Bishnauth Investments Limited	99,400	0.05	99,400	0.05	-
Isha Khaitan	24,000	0.01	24,000	0.01	-
Amritanshu Khaitan	8,000	0.00	8,000	0.00	-
Late B M Khaitan*	21	0.00	21	0.00	-
Total	**6,93,74,046**		**6,93,74,046**		**-**

*Shareholder expired on 1st june 2019 but the company has not received transmission request yet.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(B) Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
Securities Premium	1,12,869.05	1,12,869.05
Capital Redemption Reserve	101.00	101.00
General Reserve	1,549.64	1,549.64
Retained Earnings	(5,56,480.96)	(4,68,232.09)
Total Other Equity	**(4,41,961.27)**	**(3,53,712.41)**

(i) Securities Premium

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	1,12,869.05	1,12,869.05
Closing balance	**1,12,869.05**	**1,12,869.05**

Nature and purpose:

Securities Premium has arisen on issue of Shares. The Reserve can be utilised in accordance with the provisions of the Act.

(ii) Capital Redemption Reserve

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	101.00	101.00
Closing balance	**101.00**	**101.00**

Nature and purpose:

Capital Redemption Reserve is a non distributable reserve. The reserve can be utilised in accordance with the provisions of the Act, 2013.

(iii) General Reserve

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	1,549.64	1,549.64
Closing balance	**1,549.64**	**1,549.64**

Nature and purpose:

The reserve is a part of Retained Earnings. This is available for distribution to the shareholders as a part of free reserve.

(iv) Retained Earnings

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	(4,68,232.09)	(2,21,120.39)
Net Profit/(Loss) for the year	(88,326.28)	(2,47,120.74)
Items of OCI directly transferred to retained earnings	77.41	9.04
Closing balance	**(5,56,480.96)**	**(4,68,232.09)**

Nature and purpose:

This reserve represents the cumulative profits of the company. This reserve can be utilised in accordance with the provisions of the Act.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(v) Other Reserves

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	-	83,804.25
Reversal of Fair value gain on Financial Liabilities	-	(83,804.25)
Closing balance	**-**	**-**

Nature and purpose:

In earlier years, the Company had recognised fair valuation gain of Rs. 83,804.25 Lakhs on account of deferred repayment of Inter Corporate Deposit from Seajuli Developers & Finance Limited ("SDFL") and Woodside Parks Limited ("WPL"). Under CIRP, both the companies have submitted their financial claims to RP. RP has admitted such claims and as such the Company has reversed its fair valuation gain.

Note 12: Financial liabilities

12(a) Non-current borrowings

Particulars	Coupon/ Interest rate	As at 31st March, 2024	As at 31st March, 2023
Secured			
Term Loans			
Foreign Currency Loan - From banks (refer note B below)	6 Months LIBOR +4.15%	552.39	544.54
9,75,000, 11.50% Non-Convertible Redeemable Cummulative Preference Shares {refer note A below & Note 30(c)}	11.50%	5,451.43	5,451.43
Total non-current borrowings		**6,003.82**	**5,995.97**
Less: Current maturities of Non Current Borrowings {included in note 12(b)}		552.39	544.54
Less: Liability for Redeemable Preference Share (included in note 12(d))		5,451.43	5,451.43
Non-current borrowings		**-**	**-**

A. 11.50% Non-Convertible Redeemable Cumulative Preference Shares

(i) Non-Convertible Redeemable Preference Shares were redeemable in 8 equal quarterly installments commencing from 5th June, 2018 and the last installment payable was on 5th March, 2020 which has been on default as on the date of approval of these Standalone Financial Statements.

B. External Commercial Borrowing from ICICI Bank Limited

(i) Terms of repayment:

Loan having a balance outstanding of USD 6.60 lakhs,the last instalment date was due on 23rd December, 2018 which has been on default as on the date of approval of these Standalone Financial Statements.

(ii) Security details

Refer Note 36 for details of assets charged as security against these borrowings.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Details of loan	Nature of Security
External Commercial Borrowings from ICICI Bank Limited	First Charge by way of hypothecation on moveable assets / equipments both present and future with minimum asset cover of 1.25 times on outstanding ECB facility.

Details of default during the year in respect of Borrowings included in Other financial liabilities are as under:

Name of the Shareholder/Lender	Amount of Default	Remarks
Various Preference Shareholders	5,899.93	Amount of default persisting as on the date of approval of these Standalone Financial Statements

12(b) Current borrowings

Particulars	Coupon/ Interest rate	As at 31st March, 2024	As at 31st March, 2023
Loans repayable on demand			
Secured			
From banks			
Cash credit from banks	12.05% to 18.75%	1,85,873.22	1,85,617.09
Working capital demand loans from banks	12.5% to 13.50%	16,076.31	16,076.31
Current maturities of long-term debt	6 Months LIBOR +4.15%	552.39	544.54
Unsecured			
Inter Corporate Deposit	15% to 18%	1,08,271.57	1,08,271.57
Total current borrowings		**3,10,773.49**	**3,10,509.51**

Details of loan	Nature of Security
Cash credit facility from consortium of banks and Working capital demand loans from banks	A first pari passu charge by way of hypothecation of the current assets viz., stocks of raw materials, semi-finished goods, finished goods, stores and spares, bills Receivables including Receivables from hire purchase/leasing, book debts and other movable assets, both present and future. Charge on fixed assets on subservient basis except ICICI to the extent of term loan. The Working Capital Demand Loans have been guaranteed by one of the directors to the tune of Rs. 10,000 Lakhs. Equity Shares of MBE Coal & Mineral Technologies India Private Limited are pledged for Working Capital Demand Loans.*

*MBE Coal & Mineral Technologies India Private Limited was admitted to NCLT vide order dated 12th September 2023

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(ii) Details of default are as follow:

Name of the Shareholder/Lender	Amount of Default Principle	Remarks
Allahabad Bank - Cash Credit	8,358.77	Amount of default persisting as on the date of approval of these Standalone Financial Statements
Axis Bank Limited - Cash Credit	21,788.79	
Bank of Baroda - Cash Credit	4,102.18	
Bank of India - Cash Credit	45,494.21	
Canara Bank - Cash Credit	2,346.57	
DCB Bank- Cash Credit	280.57	
ICICI Bank - Cash Credit	18,031.84	
IDBI Bank - Cash Credit	17,552.96	
Karur Vysya Bank - Cash Credit	8,427.14	
Lakshmi Vilas Bank - Cash Credit	94.73	
Punjab National Bank - Cash Credit*	16,060.33	
Standard Chartered Bank- Cash Credit	2,571.24	
State Bank Of India - Cash Credit	25,001.29	
UCO Bank - Cash Credit	567.80	
Union Bank - Cash Credit	15,194.79	
Cash Credit Total Default	**1,85,873.22**	
Axis Bank Limited - Working Capital Demand Loan	12,660.41	
Standard Chartered Bank- Working Capital Demand Loan	3,415.90	
Working Capital Demand Loan Total Default	16,076.31	
ICICI Bank - ECB Loan**	552.39	
Inter-Corporate Borrowings Total Default	**1,08,271.57**	

**Including exchange fluctuation during the year Rs. 7.85 Lakhs

12(c) Lease Obligation

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Non Current		
Lease Obligation	-	24.22
	-	**24.22**

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Current		
Lease Obligation	38.76	87.60
	38.76	**87.60**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

12(d) Other financial liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Creditors for Preference share	5,451.43	5,451.43
Interest accrued on borrowings and others	2,64,903.09	1,91,569.18
Employee Benefits payable	746.07	660.86
Security deposits	90.29	90.29
Dividend Accrued on Preference Shares	448.50	448.50
Others	10,890.55	4,892.14
Total other current financial liabilities	**2,82,529.93**	**2,03,112.40**

12(e) Trade payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade payables due to micro, small and medium enterprises (Refer note 31)	187.12	184.22
Trade payables other than micro enterprises and small enterprises	22,142.38	22,666.51
Total Trade Payables	**22,329.50**	**22,850.73**

Trade payables Ageing Schedule as at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	4.08	10.64	11.66	126.87	153.25
Others	-	2,687.98	1,211.36	1,762.45	15,619.20	21,280.99
Disputed Dues - MSME	-	-	-	3.53	30.34	33.87
Disputed Dues - Others	-	2.71	-	1.12	857.56	861.39

Trade payables Ageing Schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	11.86	11.66	3.40	123.48	150.39
Others	-	4,424.01	1,762.45	2,054.84	13,564.36	21,805.66
Disputed Dues - MSME	-	-	3.53	1.92	28.37	33.83
Disputed Dues - Others	-	-	3.25	13.17	844.43	860.85

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 13: Provisions

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non-Current	Current	Non-Current	Current
Employee benefits				
- Gratuity	26.81	4.47	26.10	5.55
- Others	172.37	7.95	232.96	11.46
Decommissioning obligations	-	75.30	-	75.30
Total provisions	**199.18**	**87.72**	**259.06**	**92.32**

(i) Movements in provisions

Movements in provision during the financial year, are set out below:

Particulars	Decommissioning obligations
As at April 01, 2023	75.30
Charged/(credited) to profit or loss	
- unwinding of discount	-
As at 31st March, 2024	**75.30**
As at April 01, 2022	75.30
Charged/(credited) to profit or loss	
- unwinding of discount	-
As at March 31, 2023	**75.30**

(ii) Leave Obligations

At Present there is no accumulation of leave which is encashable in future year.

(iii) Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2023	302.76	271.11	31.65
Current service cost	18.08	-	18.08
Interest expense/(income)	22.40	15.80	6.60
Total amount recognised in Profit and Loss	40.48	15.80	24.68
Remeasurements			-
- Return on plan assets	-	1.82	(1.82)
- Due to financial assumptions	11.61	-	11.61
- Due to experience adjustments	(5.06)	-	(5.06)
Total amount recognised in other comprehensive income	6.55	1.82	4.73

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions	-	29.77	(29.77)
Benefit payments	(144.93)	(144.93)	-
March 31, 2024	**204.85**	**173.57**	**31.28**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 01, 2022	**330.80**	**302.78**	**28.02**
Current service cost	24.69	-	24.69
Interest expense/income	23.49	20.05	3.44
Total amount recognised in Profit and Loss	**48.18**	**20.05**	**28.13**
Remeasurements			
- Return on plan assets	-	(10.94)	10.94
- Due to financial assumptions	(4.85)	-	(4.85)
- Due to experience adjustments	2.95	-	2.95
Total amount recognised in other comprehensive income	**(1.90)**	**(10.94)**	**9.04**
Employer contributions	-	33.54	(33.54)
Benefit payments	(74.32)	(74.32)	-
March 31, 2023	**302.76**	**271.11**	**31.65**

The net liability disclosed above relates to funded plan.

The significant actuarial assumptions used were as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	7.10%	7.40%
Salary escalation	4.00%	4.00%
Expected return on plan assets	7.10%	7.40%
Withdrawal rate	1.00-8.00%	1.00-8.00%
Mortality rate	In accordance with standard table Indian Assured Lives Mortality (2012-14) ultimate	

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is:

Assumption	Increase/ (decrease)	Assumption Rate	Amount of increase/ (decrease) in defined benefit obligations as at March 31, 2024
Under Base Scenario	-	-	204.85
Salary Escalation	Increase by	1%	210.83
Salary Escalation	Decrease by	1%	186.43
Withdrawal Rate	Increase by	1%	200.08
Withdrawal Rate	Decrease by	1%	195.83
Discount Rate	Increase by	1%	186.85

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Assumption	Increase/ (decrease)	Assumption Rate	Amount of increase/ (decrease) in defined benefit obligations as at March 31, 2024
Discount Rate	Decrease by	1%	210.57
Mortality Rate	Increase by	1%	197.83
Mortality Rate	Decrease by	1%	197.39

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The plan liabilities are calculated using a discount rate set with reference to government bonds. If the plan assets underperform this yield, this will create a deficit. The plan asset investments is with the Life Insurance Corporation of India which administers the fund. The investments are expected to earn a return in excess of the discount rate and reduce plan deficit.

The maturity profile of gratuity liability is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
2023-24	NA	53.10
2024-25	29.25	28.22
2025-26	20.60	30.69
2026-27	15.07	30.79
2027-28	15.84	52.40
Thereafter	124.10	107.56

The weighted average duration of the defined benefit obligation is 4.13 years (March 31, 2023 - 4.67 years). The expected contribution to the fund during the financial year 2024-25 would be Rs. 29.78 Lakhs

(iv) Provident fund

The company has an obligation to fund any shortfall on the yield of the trust's investments compared to the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases, the actual return earned by the company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India and based on the assumptions provided below, there is no shortfall as at March 31, 2024 and March 31, 2023.

In accordance with actuarial valuation done for interest rate guarantee, the fund has sufficient assets against the defined benefit liability and hence no further liability arises for interest rate guarantee.

The plan assets have been primarily invested in government securities.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Assumptions used in determining the present value obligation of interest rate guarantee under the Deterministic approach:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	6.97%	7.49%
Guaranteed interest rate	8.25%	8.15%

The company contributed Rs. 81.48 Lacs and Rs. 99.50 Lacs during the years ended March 31, 2024 and March 31, 2023, respectively, and the same has been recognised in the Statement of Profit and Loss under the head employee benefit expenses.

Risks arising from defined benefit obligations

The defined benefit obligation plans typically expose the Company to actuarial risks i.e. investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

Note 14: Other Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from customers		
- From Related Party	1,518.59	1,534.24
- From Others	2,418.92	2,919.67
Statutory tax payables	410.26	470.75
Dividend Distribution Tax on preference dividend	91.76	91.76
Benevolent fund	104.04	109.04
Total other liabilities	**4,543.57**	**5,125.46**

Note 15: Revenue from operations

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract Revenue & Sale of Equipments	16,744.31	22,732.18
Other Operating Revenue	16.97	95.36
Total Revenue from Operations	**16,761.28**	**22,827.54**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 16: Other Income

(a) Other Income

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest income	247.54	107.39
Interest income from financial assets measured at amortised cost	3,984.78	3,887.16
Corporate Guarantee Commission	147.35	147.35
Liability no longer required written back	1.33	-
Miscellaneous Income	347.07	39.85
Total other income	**4,728.07**	**4,181.75**

(b) Other gains/(losses)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Net gain/(loss) on financial assets (investments) measured at fair value through profit or loss	11.29	(2.98)
Total Other Gains/(losses)	**11.29**	**(2.98)**
Total Other income and other gain / (losses)	**4,739.36**	**4,178.77**

Note 17: Cost of materials consumed

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Raw materials at the beginning of the year	74.68	165.82
Add: Purchases	86.04	65.91
Less: Raw material at the end of the year	(37.12)	(74.68)
Total cost of raw materials consumed	123.60	157.06
Add: Consumption of bought out components	7,428.43	12,164.57
Total cost of materials consumed	**7,552.03**	**12,321.63**

Note 18: Employee benefits expense

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages and bonus	2,840.52	3,480.14
Contribution to provident and other funds (Refer note 13)	109.70	150.00
Workmen and staff welfare expenses	11.81	149.43
Total Employee Benefit Expense	**2,962.03**	**3,779.57**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 19: Finance costs

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest and finance charges on financial liabilities not at fair value through profit or loss	73,400.83	1,87,274.14
Discounting on fair valuation of financial instruments on amortised cost	9,976.35	6,262.58
Total	**83,377.18**	**1,93,536.72**

Note 20: Depreciation and amortisation expense

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation of property, plant and equipment	316.06	395.75
Amortisation of intangible assets	4.84	1.11
Total depreciation and amortisation expense	**320.90**	**396.87**

Note 21: Other expenses

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Power & Fuel	155.47	458.35
Rent	146.83	127.92
Repairs and maintenance:		
Plant and machinery	0.99	0.25
Others	174.16	231.19
Insurance	88.87	91.47
Payment to Auditors {Refer Note 22 (a)}	48.70	48.70
Director Fees	-	1.20
Rates & Taxes	30.22	43.59
Cartage & Freight	18.41	8.42
Bank Charges	743.55	1,058.00
Professional Services	258.67	238.76
Travelling	336.26	343.09
CIRP Expenses {Refer Note 22 (b)}	318.92	170.57
Provision for Slow moving Stock	29.27	44.29
Liquidated Damages	-	6,349.88
Bad Debts Written off	9.99	5,328.50
Provision for Future Foreseeable Losses in Construction Contracts	5,522.86	(533.78)
Provision for Expected Credit Loss on Trade Receivables and due from customers	(105.77)	14,193.46
Net foreign exchange loss	13.15	141.99
Legal Fee	159.47	227.42
Miscellaneous Expenses	143.55	107.18
Total other expenses	**8,093.57**	**28,680.47**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 22:

(a) Details of payments to auditors

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Payment to auditors		
Audit fee	35.00	35.00
For Limited Review	12.00	12.00
For other services	1.70	1.70
Total payments to auditors	**48.70**	**48.70**

(b) : Details of CIRP Expenses and Monitoring Committee Expenses

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
CIRP Expense		
Professional Fee	245.73	124.41
Legal Fee	73.19	41.33
Miscellaneous Expenses	-	4.83
Total CIRP Expenses	**318.92**	**170.57**

Note 23: Exceptional Item

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
EIG { Refer note below (i) }	-	7,773.61
Investment in Quoted & Unquoted equity share of MSEL {Refer Note below (ii) }	-	17,923.73
Advance to MSEL {Refer Note below (ii) }	-	70.15
Total Exceptional Item	**-**	**25,767.49**

(i) The claim of EIG (Mauritius) Limited admitted by RP as per Arbitration Award has been recognised in the books of accounts.

(ii) McNally Sayaji Engineering Limited (MSEL), subsidiary of the Company, was admitted to CIRP vide order dated 11.02.2021 and eventually the Resolution plan of the successful Resolution Applicant was approved by COC and thereafter by the Hon'ble National Company Law Tribunal, Kolkata Bench, Court-I vide its order dt. 24.02.2023. The existing share capital of MSEL stands cancelled and delisted. Hence entire carrying value amounting to Rs 17,923.73 Lakhs and advance of Rs 70.15 Lakhs has been written off from the books of accounts as 'Exceptional Items'.

Note 24: Capital Management

Capital Management

The Company strives to manage its capital efficiently with a view to safeguard its ability to continue as a going concern and to bring returns to its shareholders and stakeholders. The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day to day needs. The amount of capital in proportion to risk is considered for capital structure management in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

developments and growth of its business. For the purpose of company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirments of the financial covenants. However, in view of certain factors, challenges and changes faced by the Company over past few years as explained in Note 41 to the Standalone Financial Statements, networth of the Company has been fully eroded. The management expects that overall financial health of the Company would improve upon successful implementation of resolution plan as approved by the Hon'able National Company Law Tribunal.

Loan Covenants

Under the terms of the major borrowing facilities, the Company is required to comply with various financial covenants. The Company has been under financial stress due to external factors. EBITDA margins of the Company have not been sufficient to service interest/ principal repayment even after infusion of funds by the promoters from time to time during the earlier years. The company has not been able to comply with some of the covenants during the current as well as the previous years. The Company has persisting defaults in repayment of loans or borrowings to banks and other lenders.

Note 25: Risk Management

The Company's activities is exposed to credit risk, liquidity risk and market risk.

The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit Risk

Credit risk arises from Cash and Cash Equivalents, other bank balances, investments and other financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and due from customers.

(i) Credit Risk Management

The Company assigns the following credit ratings to each class of financial assets based on assumptions, inputs and factors specific to the class of financial assets.

VL1: High-quality assets, negligible credit risk

VL2: Quality assets, low credit risk

VL3: Standard assets, moderate credit risk

VL4: Substandard assets, relatively high credit risk

VL5: Low quality assets, very high credit risk

VL6: Doubtful assets, credit impaired

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. Financial Assets are written off when there is no reasonable expectations of recovery, such as debtor failing to engage in a repayment plan with the Company or where payer/borrower does not have financial capability to repay its debts. Where loans or receivables have been written off, the Company continues to engage in enforcement activities to attempt to recover the receivable dues.

(ii) Provision for Expected Credit Losses

The Company provides for expected credit loss of trade receivables, due from customers and other financial assets based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Whenever required, past trend is adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

historical data is based, and to remove the effects of the conditions in the historical period that are not relevant to the future contractual cash flows.

Year ended 31st March, 2024

(a) Expected Credit Loss for Loans, Investments, Expenses Recoverables and Other Financial Assets

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected Credit Losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month Expected Credit Losses	Financial Assets for which credit risk has not increased significantly since initial recognition	Loans	VL3	1,744.38	-	-	1,744.38
		Claims Recoverable	VL3	36,183.70	-	14,729.13	21,454.57
Loss allowance measured at life-time Expected Credit Losses	Financial Assets for which credit risk has increased significantly and credit-impaired	Loans	VL6	1,425.12	100%	1,425.12	-

(b) Expected Credit Loss for Trade Receivables and Due from Customers under simplified approach

Particulars		Internal credit rating	Due from customer	Trade Receivables
Gross Carrying Amount	Loss allowance measured at life-time Expected Credit Losses	VL3	3,537.95	1,18,242.66
Expected Credit Losses (Loss (allowance provision			(2,590.51)	(44,038.76)
Carrying amount (net of Impairment)			947.44	74,203.90

Year ended 31st March, 2023

(a) Expected Credit Loss for Loans, Investments, Expenses Recoverables and Other Financial Assets

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month Expected Credit Losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	VL3	1,744.38	-	-	1,744.38
		Claims Recoverable	VL3	36,252.08	-	8,737.56	27,514.52
Loss allowance measured at life-time Expected Credit Losses	Financial assets for which credit risk has increased significantly and credit-impaired	Loans	VL6	1,425.12	100%	1,425.12	-

During the financial year 2022-23 , the Company had written off Rs. 841.35 Lakhs of claims recoverable.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(b) Expected Credit Loss for Trade Receivables and Due from Customers under simplified approach

Particulars		Internal credit rating	Due from customer	Trade Receivables
Gross Carrying Amount	Loss allowance measured at life-time expected credit losses	VL3	4,432.90	1,19,381.90
Expected Credit Losses (Loss (Allowance Provision			(3,066.04)	(44,144.53)
Carrying Amount (net of Impairment)			1,366.86	75,237.37

(iii) Reconciliation of Loss Allowance Provisions - loans

Reconciliation of Loss Allowance	Loss Allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss Allowance as at 31st March, 2023	-	-	1,425.12
Add/(Less): Changes in Loss Allowances	-	-	-
Loss Allowance as at 31st March, 2024	**-**	**-**	**1,425.12**

(iv) Reconciliation of Loss Allowance Provision - Trade Receivables & Due from Customers (under simplified approach)

Particulars	Trade Receivables	Due from customers	Total loss allowance
Loss Allowance as on 31st March, 2022	**29,929.32**	**3,595.84**	**33,525.16**
Changes in Loss Allowance	14,215.22	(529.80)	13,685.42
Loss Allowance as on 31st March, 2023	**44,144.53**	**3,066.04**	**47,210.57**
Changes in Loss Allowance	(105.76)	(475.53)	(581.30)
Loss Allowance as on 31st March, 2024	**44,038.76**	**2,590.51**	**46,629.28**

Significant Estimates and Judgements

Impairment of Financial Assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, industry practices, existing market conditions and business environment as well as forward looking estimates at the end of each reporting period.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close net market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities as below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(i) Maturity of Financial Liability

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

· all non-derivative financial liabilities, and

· net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows."

The amounts disclosed in the table are the contractual cash flows, balances due within 12 months and more than 12 months.

Contractual maturities of Financial Liabilities (31st March, 2024)	Carrying Value	Contractual Cash Flows	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Non Derivatives						
Borrowings	3,16,224.92	3,16,224.92	3,16,224.92	-	-	-
Interest Accrued on borrowings and others	2,64,903.09	2,64,903.09	2,64,903.09	-	-	-
Trade Payables	22,329.50	22,329.50	22,329.50	-	-	-
Employee Benefits payable	746.07	746.07	746.07	-	-	-
Lease Liability	38.76	38.76	38.76	-	-	-
Security Deposits	90.29	90.29	90.29	-	-	-
Dividend Accrued on Preference Shares	448.50	448.50	448.50	-	-	-
Others	10,890.55	10,890.55	10,890.55	-	-	-
Total Non Derivative Financial Liabilities	**6,15,671.68**	**6,15,671.68**	**6,15,671.68**	**-**	**-**	**-**

Contractual maturities of Financial Liabilities (31st March, 2023)	Carrying Value	Contractual Cash Flows	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Non Derivatives						
Borrowings	3,15,960.94	3,15,960.94	3,15,960.94	-	-	-
Interest Accrued on borrowings and others	1,91,569.18	1,91,569.18	1,91,569.18	-	-	-
Trade Payables	22,850.73	22,850.73	22,850.73	-	-	-
Employee Benefits payable	660.86	660.86	660.86	-	-	-
Lease Liability	111.82	111.82	87.60	24.22	-	-
Security Deposits	90.29	90.29	90.29	-	-	-
Dividend Accrued on Preference Shares	448.50	448.50	448.50	-	-	-
Others	4,892.14	4,892.14	4,892.14	-	-	-
Total Non Derivative Financial Liabilities	**5,36,584.47**	**5,36,584.47**	**5,36,560.24**	**24.22**	**-**	**-**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(C) Market Risk

(i) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the USD and EUR. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Rupees). The risk is measured through the expected foreign currency cash flows based on the Company's receipt and repayment schedule for recognised assets and liabilities denominated in a currency other than "Rupees" . The objective of the hedging is to minimize the volatility of the INR cash flows of such recognised assets and liabilities.

(a) Foreign Currency Risk Exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. Lakhs is as follow:

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	USD	EUR	ZAR	USD	EUR	ZAR
Financial Assets						
Trade Receivables	-	557.32	-	-	553.15	-
Net Exposure to Foreign Currency Risk (Assets)	**-**	**557.32**	**-**	**-**	**553.15**	**-**
Financial Liabilities						
Foreign Currency Loan	552.39	-	-	544.54	-	-
Trade Payables	80.60	1,196.79	3.92	79.46	1,188.48	3.92
Payable to Subsidiaries	-	-	-	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	**633.00**	**1,196.79**	**3.92**	**624.00**	**1,188.48**	**3.92**

(b) Sensitivity:

Impact on Profit

Particulars	Increase/(Decrease) in profit before tax	
	31st March, 2024	31st March, 2023
USD sensitivity		
INR/USD -Increase by 5% (31 March 2022-5%)*	31.65	31.20
INR/USD -Decrease by 5% (31 March 2022-5%)*	(31.65)	(31.20)
EUR sensitivity		
INR/EUR-Increase by 5% (31 March 2022-5%)*	31.97	31.77
INR/EUR-Decrease by 5% (31 March 2022-5%)*	(31.97)	(31.77)
ZAR sensitivity		
INR/ZAR-Increase by 5% (31 March 2022-5%)*	0.20	0.20
INR/ZAR- Decrease by 5% (31 March 2022-5%)*	(0.20)	(0.20)

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from Current Borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During the year ended 31st March, 2024 and 31st March, 2023, the Company's borrowings at variable rate were mainly denominated in INR.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

The Company's Borrowings are carried at amortised cost. The fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at end of reporting period are as follow:

Particulars	31st March, 2024	31st March, 2023
Variable Rate Borrowings	4,39,317.13	3,93,807.12
Fixed Rate Borrowings*	1,41,810.88	1,13,723.00
Total borrowings	**5,81,128.01**	**5,07,530.12**

The Company has not entered into interest rate swaps to hedge against fluctuating market interest rates.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/(Decrease) in profit before tax	
	31st March, 2024	31st March, 2023
Interest rates increase by 50 basis points (50 bps) *	(2,196.59)	(1,969.04)
Interest rates decrease by 50 basis points (50 bps) *	2,196.59	1,969.04

* Holding all other variables constant (Refer Note 43)

Note 26: Fair Value Measurements

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March, 2024 and 31st March, 2023.

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
- Equity Instruments*	39.25	-	9.94	33.52	-	9.94
- Mutual Funds	86.90	-	-	81.33	-	-
Trade Receivables	-	-	74,203.90	-	-	75,237.37
Loans	-	-	1,744.38	-	-	1,744.38
Cash and Cash Equivalents	-	-	1,706.98	-	-	2,948.23
Other Bank balances	-	-	325.16	-	-	11.37
Advance to employees			0.11			0.40
Security Deposits	-	-	5,665.27	-	-	5,408.92
Due from Customers	-	-	947.44	-	-	1,366.86
Deposit with Bank	-	-	12.76	-	-	5.04
Claims Recoverable	-	-	21,454.57	-	-	27,514.52
Total Financial Assets	**126.15**	**-**	**1,06,070.51**	**114.86**	**-**	**1,14,247.04**
Financial Liabilities						
Borrowings	-	-	3,16,224.92	-	-	3,15,960.94

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Interest Accrued on borrowings and others	-	-	2,64,903.09	-	-	1,91,569.18
Trade Payables	-	-	22,329.50	-	-	22,850.73
Employee Benefits payable	-	-	746.07	-	-	660.86
Lease Liability	-	-	38.76	-	-	111.82
Security Deposits	-	-	90.29	-	-	90.29
Dividend Accrued on Preference Shares	-	-	448.50	-	-	448.50
Others	-	-	10,890.55	-	-	4,892.14
Total Financial Liabilities	**-**	**-**	**6,15,671.68**	**-**	**-**	**5,36,584.47**

*excludes the amount of carrying value in subsidiaries and joint venture at cost Rs. 2,707.87 Lakhs (31st March, 2023: 2,707.87 Lakhs)

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its Financial Instruments into the three levels prescribed under the Indian Accounting Standards. An explanation of each level follows underneath the table.

Financial Assets and Liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 31st March, 2024				
Financial Assets				
Financial instruments at FVPL				
Listed Equity Investments	39.25	-	-	39.25
Mutual Funds	-	86.90	-	86.90
Total Financial Assets	**39.25**	**86.90**	**-**	**126.15**

Financial Assets and Liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at 31st March, 2023				
Financial Assets				
Financial Instruments at FVTPL				
Listed Equity Investments	33.52	-	-	33.52
Mutual Funds	-	81.33	-	81.33
Total Financial Assets	**33.52**	**81.33**	**-**	**114.86**

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair val**ue.**

(ii) Valuation technique used to determine Fair Value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date

(iii) Fair value of the Financial Assets and Liabilities measured at Amortised Cost

The Management considers that the carrying amount of finanicial assets and liabilities recognised in the financial statements and carried at amortised cost approximates their fair value as on 31st March, 2024 and 31st March, 2023. Initial recognition of financial assets and liabilities are at fair value with subsequent measurement at amortised cost.

Note 27: Related Party Disclosures

(a) Subsidiaries

(i) McNally Sayaji Engineering Limited (MSEL) (Up to 24th February, 2023)

(ii) McNally Bharat Equipments Limited (MBEL)

(iii) MBE Mineral Technologies Pte Limited

(iv) MBE Minerals Zambia Limited

(v) McNally Bharat Engineering (SA) Proprietary Limited

(b) Joint Venture (MBECL is Lead Partner for participating in tenders)

(i) EMC MBE Contracting Company LLC

(ii) McNally- Trolex

(iii) McNally- AML

(iv) McNally- Trolex- Kilburn

(d) Subsidiary of McNally Sayaji Engineering Limited

(i) MBE Coal & Minerals Technology India Private Limited (up to 24th February, 2023)

(e) Post employment benefit plan of the Company

(i) McNally Bharat Executive Staff Gratuity Fund

(ii) McNally Bharat Employees Provident Fund

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(f) Key Managerial Personnel

(i) Mr. Aditya Khaitan - Chairman

(ii) Mr. Srinivash Singh - Chief Executive Officer (Resigned w.e.f. 30th October,2023)

(iii) Mr. Brij Mohan Soni - Chief Financial Officer (Resigned w.e.f. 7th September, 2022)

(iv) Mr. Pradyuman Baidya - Chief Financial Officer (Appointed w.e.f 13th September, 2022)

(v) Mr. Rahul Banerjee - Company Secretary (Resigned w.e.f. 22nd October , 2021)

(vi) Mrs Indrani Roy- Company Secretary

(vii) Ms. Arundhati Dhar - Independent Director (Resigned w.e.f. 3rd August, 2022)

(viii) Mr. A.K Barman - Independent Director

(ix) Mr. Nilotpal Roy- Independent Director (Resigned w.e.f. 10th August, 2023)

(x) Ms. Kasturi Roychoudhury - Independent Director (Resigned w.e.f. 10th August, 2023)

(g) Relative of Key Managerial Personnel

Saroj Kant Singh (Relative of Mr. Srinivash Singh - Chief Executive Officer) (Resigned w.e.f. 16th October, 2023)

The following transactions were carried out with Related Parties in the ordinary course of business:

Description	McNally Bharat Equipments Limited	McNally-Trolex	McNally-AML	McNally- Trolex-Kilburn
Sale of Goods/fixed assets	-	2,076.65	2,550.43	2,001.49
	-	(4,200.78)	(4,622.98)	(3,564.75)
Rendering of services	146.93	-	-	-
	(117.54)	-	-	-
Reimbursement of Expenses Received				
	-	(0.13)	(0.14)	(0.06)
Rent received	0.94	-	-	-
	(1.25)	(3.00)	(2.73)	(2.73)

Brackets indicate figures for previous year

Balances Outstanding as at 31st March

Description	MBE Mineral Technologies Pte Ltd.	McNally Bharat Equipments Limited	MBE Minerals Zambia Limited	McNally Bharat Engg. (S.A.) Proprietary Ltd.
Investment at the year end	2,550.74	9.94	4.69	0.13
	(2,550.74)	(9.94)	(4.69)	(0.13)
Provision for impairment in value of investments	2,550.74	-	4.69	0.13
	(2,550.74)	-	(4.69)	(0.13)
Outstanding payables	-	-	-	3.92
	-	(58.44)	-	(3.92)
Outstanding Receivables/Loans	-	21.99	1,385.04	40.08
	-	(96.38)	(1,385.04)	(40.08)
Allowance for doubtful receivables	-	-	1,385.04	40.08
	-	-	(1,385.04)	(40.08)

Brackets indicate figures for previous year

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Balances Outstanding of Joint Ventures

Description	EMC MBE Contracting Co LLC	McNally-Trolex	McNally-AML	McNally- Trolex-Kilburn
Investment at the year end	152.31	-	-	-
	(152.31)	-	-	-
Provision for impairment in value of investments	152.31	-	-	-
	(152.31)	-	-	-
Outstanding Receivables *	67.06	1,143.40	1,025.52	692.21
	(67.06)	(802.72)	(760.36)	(468.34)
Advance received from Customer	-	462.08	753.38	303.14
	-	(462.08)	(769.02)	(303.14)
Allowance for doubtful receivables	67.06	-	-	-
	(67.06)	-	-	-
Security Deposit	-	625.97	2,749.16	773.96
	-	(625.97)	(2,749.16)	(773.96)

Brackets indicate figures for previous year

* Outstanding Receivables also include receivables of rent from Joint Venture.

Transactions with Key Managerial Personnel	2023-24			2022-23		
	Remuneration	Sitting fees	Outstanding Balance payable as at year end	Remuneration	Sitting fees	Outstanding Balance payable as at year end
Mr. Srinivash Singh	127.72	-	-	219.96	-	-
Mr. Brij Mohan Soni	-	-	-	30.17	-	1.25
Mrs. Indrani Ray	38.21	-	-	40.00	-	-
Mr. Aditya Khaitan	-	-	-	-	-	0.30
Ms. Arundhati Dhar	-	-	-	-	0.40	0.98
Mr. A.K Barman	-	-	-	-	0.40	1.48
Mr. Nilotpal Roy	-	-	-	-	0.20	0.72
Ms.Kasturi Roy Choudhury	-	-	-	-	0.20	0.72
Mr . Pradyuman Baidya	36.30	-	-	36.11	-	-
Mr. Saroj Kant Singh (Relative to KMP)	15.25	-	-	29.30	-	-

Remuneration includes

Particulars	2023-24		2022-23	
	Short term employee benefits	Post employment benefits	Short term employee benefits	Post employment benefits
Mr. Srinivash Singh	-	-	219.96	-
Mr. Brij Mohan Soni	-	-	29.11	1.06
Mrs. Indrani Ray	-	-	38.21	1.79
Mr. Pradyuman Baidya	-	0.89	34.49	1.62
Mr. Saroj Kant Singh (Relative to KMP)	-	-	27.99	1.31

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

a) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the year towards Post employment benefits as the same are not separately ascertainable for individual directors.

b) Transactions with related parties mentioned above are as per terms and contracts approved by the COC. All transactions disclosed above were done on normal commercial terms and conditions and wherever applicable as per the market rates.

Details of contribution to post employment benefit plans

Particulars	31st March, 2024	31st March, 2023
McNally Bharat Executive Staff Gratuity Fund	29.40	37.17
McNally Bharat Employees Provident Fund*	85.02	103.78

Note 28: Capital Commitments

There is no capital commitment as at Balance sheet date.

Note 29: Leases

The Company has also leasing arrangements in respect of operating leases for premises. These leasing arrangements which are cancellable in nature are renewable by mutual consent and agreement. The aggregate of such lease rentals on account of short-term leases and low-value assets are charged as rent to the Standalone Statement of Profit and Loss.

Particulars	2023-24	2022-23
Depreciation Recognized	64.98	64.98
Interest on Lease Liabilities	14.54	22.94
Expenses related to Short Term Leases & of low value assets	146.83	127.92
Total Cash outflow for Leases	87.60	87.60
Net Carrying amount of Right of Use at the end of the year	**32.49**	**97.47**

Note 30: Contingent Liabilities

a. The details of Contingent Liabilities are as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Claims against the company not acknowledged as debt*	46,859.99	46,859.99
Other money for which the Company is contingently liable:		
Indirect Tax matters relating to Excise Duty, Service Tax ,Central Sales Tax , Value added Tax and Goods and Service Tax	49,336.31	44,995.74
Income Tax matter pending	8,568.74	3,235.20
Corporate guarantees given	8,000.00	8,000.00
Bank Gurantees issued by company-Performance , Security and Earnest Money deposit	27,575.41	28,797.66
Liquidated damages relating to contract sales	Amount not readily ascertainable	

*In earlier years, the Company had entered into a put option agreement with EIG(Mauritius) Limited, who invested in one of its subsidiary companies. In order to exercise the put option, the Investor submitted its request for Arbitration to the International Chamber of Commerce Court, Singapore. The Arbitrator issued a dissenting opinion requiring the company to pay damages amounting to Rs 21,102.69 Lacs (including interest) and legal cost. Thereafter Corporate Insolvency Resolution Process "CIRP" has been initiated against the Company. Hence, EIG (Mauritus) Limited had filed its claim to IRP/RP on 17th May 2022 and accordingly the liability of Rs. 7,773.61 Lakhs along with interest of

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Rs. 888.94 Lakhs has been booked and remaining amount of Rs. 13,056.93 Lakhs has been considered as Contingent liability included in 'Claims against the company not acknowledged as debt'.

In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance being under moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Financial Statements as of now. (Refer Note 40 to Note 42)

Details of Corporate Guarantees given covered under Section 186(4) of the Companies Act, 2013:-

Particulars	As at 31st March, 2024	As at 31st March, 2023
MBE Coal & Mineral India Private Limited (Banking Facility)	3,000.00	3,000.00
McNally Sayaji Engineering Limited (ECB & Rupee Term Loan)	5,000.00	5,000.00
Total	**8,000.00**	**8,000.00**

b.Tata Capital Financial Services Limited (TCFSL), one of the Non-Convertible Redeemable Preference Shareholders of the Company has preferred commercial arbitration petition during the year demanding redemption of Non-convertible Redeemable Preference Shares due to breach of various financial covenants therein for their outstanding balance of Rs. 2,831.63 Lakhs along with 100% liquidation damages which is disputed by the Company. The Arbitrator has issued interim directions to deposit an amount of Rs 2,831.63 Lakhs in Specifically designated Escrow Account or alternatively furnish an unconditional and irrevocable bank guarantee of such amount. The order also restrained an Injunction of any dealing of share of Mcnally Sayaji Engineering Limited which is pledged against the loan. Further, the Company submitted an affidavit, the details of all its assets , properties (Movable or immovable) which are restrained for any dealing , transfer and disposal of assets. Further, TCFSL had filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the IBC") before the National Company Law Tribunal ("the NCLT"") to initiate Corporate Insolvency Resolution Process ("the CIRP") against the Company. The NCLT has dismissed the application filed by the TCFSL not being a financial creditor as per the provisions of the IBC. Further, TCFSL had filed an application with ("the NCLAT). As per NCLAT order dated 17.08.2022, the appeal has dismissed as withdrawn granting liberty to raise any legally permissible contentions at appropriate stage.

c. The Director General of GST Intelligence (DGGI) Kolkata had conducted investigation in 2019-20 at the Corporate Office of the Company and denied Input Tax Credit of Rs. 945.04 Lakhs and also denied Input tax Credit of Rs 200.00 Lakhs in 2020-21 availed by the Company. Pending adjudication of the matter, the Company has included the Input Tax Credit in Note 10 under Balance with Statutory/Government authorities. During the year, the department has conducted audit for F.Y. 2017-18 and provided its observations thereon. Further proceedings in this matter has been kept in abeyance till the conclusion of CIRP as moratorium is applicable u/s 14 of the Insolvency and Bankruptcy Code, 2016 .

It is not practicable to estimate the timing of cash outflows if any, in respect of the above matters pending resolution of the arbitration/appellate proceedings.

Note 31: Dues to Micro,Small & Medium Enterprises

The amount due to Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Principal amount due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	187.12	184.22
(ii) Interest due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	43.63	254.33

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(iii) Principal amounts paid to suppliers registered under the MSMED Act, 2006, beyond the appointed day during the year	160.51	143.91
(iv) Interest due & payable for principal already paid	-	-
(v) Total interest accured and remaining unpaid at the end of each accounting year	297.96	254.33
(vi) Amount of futher interest remaining due and payable even in the succeeding years	-	-

Note 32: Excess Remuneration paid to Key Managerial Personnel

On 13th December 2022, the term of the Managing Director of the company had expired and the company has not appointed the Managing Director or Manager in their place after the expiry of their term. Therefore, the company had not paid or liable to pay any sum of remuneration to the KMP of the company. However, as per section 197(17) the company has no need to taking any approval from the lender and shareholders in the current year.

Note 33: Disclosure for Construction Contracts

The details as required in respect of construction constracts under Ind AS 115-Revenue from Contracts with Customers are as under:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract costs incurred	18,85,175.69	18,64,919.54
Add : Recognised profit net of recognised (losses)	(71,839.61)	(61,266.14)
Contract Revenues*	18,13,336.09	18,03,653.40
Progress Billing	17,08,518.76	16,97,940.73
Unbilled Revenue transferred	1,01,224.00	1,01,224.00
Unbilled Revenue	3,537.95	4,432.90
Due from Customers	3,537.95	4,432.90
Less: Allowance for doubtful amount	2,590.51	2,590.51
Less: Provision for future foreseeable losses	876.04	475.53
Net Due from Customers	71.40	1,366.86
Advance payments received	2,403.27	2,919.67
Retention amount	1,765.02	1,257.72
Provision for future foreseeable losses as on	876.04	475.53

Refer Note 25(A)(ii) for Loss Allowances on Trade Receivables

*Sale of equipments and contract revenue in respect of construction contracts as reported in this accounts is in proportion to the actual costs incurred on such contracts to their estimated cost. Here costs represent actual costs incurred inclusive of future losses based on estimates of future costs of all on going projects made by the engineers of the Company and such estimates are verified independently and certified by a Chartered Engineer. Unbilled revenue represents such contract sales values less actual billing done on the basis of costs incurred.

The Company has made provision, as required under the Indian Accounting Standards, for material foreseeable losses on long term contracts.

The Company has made revisions in the cost to complete certain projects during the year as part of their periodical review of cost estimates.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 34: Earnings Per Share

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Basic Earnings Per Share		
Profits/(Losses) attributable to the Equity Holders of the Company	(88,326.28)	(2,47,120.74)
Total Basic Earnings Per Share attributable to the Equity Holders of the Company	(41.75)	(116.80)
(b) Diluted Earnings Per Share		
Profits/(Losses) attributable to the equity holders of the company	(88,326.28)	(2,47,120.74)
Total Diluted Earnings Per Share attributable to the Equity Holders of the Company	(41.75)	(116.80)

(c) Weighted average numbers of shares used as denominator

Particulars	As at 31st March, 2024	As at 31st March, 2023
	Number of Shares	
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	21,15,70,757	21,15,70,757
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	21,15,70,757	21,15,70,757

Note 35: Segment information

The Company is primarily engaged in the business of construction and hence no separate disclosure has been made for segment reporting as per Ind AS 108-Operating Segments.

The Company has not earned any revenue from outside India during the Financial Year 2023-24 & 2022-23.

Note 36: Assets pledged as Security

The carrying amounts of assets pledged as Security for Current and Non-current Borrowings are:

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
		Number of Shares	
Current			
Financial Assets			
Trade Receivables	6(a)	74,203.90	75,237.37
Cash and Cash Equivalents	6(b)	1,706.98	2,948.23
Bank balances other than Cash and Cash Equivalents	6(b)	325.16	11.37
Other Financial Assets	6(d)	28,068.01	34,290.70
Loans	6(c)	1,744.38	1,744.38
Non-Financial Assets			
Inventories	8	37.12	74.68
Other Current Assets	10	39,567.02	40,844.45
Total Current Assets pledged as security		**1,45,652.56**	**1,55,151.17**

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
		Number of Shares	
Non-current			
Property, Plant and Equipment	3	1,420.57	1,670.83
Capital work in progress	3	462.62	462.62
Other Financial Assets	6(d)	12.14	5.04
Investments	5	136.09	124.80
Total non-currents assets pledged as security		**2,031.41**	**2,263.29**
Total assets pledged as security		**1,47,683.97**	**1,57,414.46**

Note:

Current assets are pledged for working capital loans and cash credit facilities.

Non-current assets are pledged under first charge for ECB from ICICI Bank Limited and as second charge for working capital loans.

Investments in Mutual Funds relating to Rs. 86.90 Lakhs were put to lien for Loan taken from L&T Finance Limited. The given loan has been fully repaid in earlier year, however lien against the investment pledged has not been satisfied till date.

Note 37: Accounting Ratios

Sl No	Particulars	Numerator	Denominator	Numerator	Denominator	31-Mar-24	Numerator	Denominator	31-Mar-23	Variation (in%)	Reasons (if Variance is more than 25%)
1	Current Ratio	Current Assets	Current Liability	1,45,865.25	6,20,302.97	0.24	1,55,382.07	5,41,778.02	0.29	(18.01)	N/A
2	Debt - Equity Ratio	Total Debts (including Lease Liability)	Shareholder's Equity (including OCI)	5,81,615.27	(4,20,804.19)	(1.38)	5,08,090.44	(3,32,555.33)	(1.53)	(9.54)	N/A
3	Debt Service Coverage Ratio	Earning available for Debt Service	Debt Service	(4,628.21)	5,81,615.27	(0.01)	(53,187.15)	5,08,090.44	(0.10)	(92.40)	During the current FY, measures were implemented to control costs, thereby reducing losses compared to the previous FY and improving the related ratios
4	Return on Equity Ratio	Net Profit after Tax (including OCI)	Average Share Holder Fund	(88,248.87)	(3,76,679.76)	0.23	(2,47,111.70)	(1,67,097.35)	1.48	(84.16)	During the current FY, measures were implemented to control costs, thereby reducing losses compared to the previous FY and improving the related ratios
5	Inventory Turnover Ratio	Sales	Average Inventory	16,761.28	55.90	299.86	22,827.54	120.25	189.84	57.96	During the year the level of inventory has decreased.
6	Trade Receivable Turnover Ratio	Sales	Average Trade Receivables	16,761.28	74,720.63	0.22	22,827.54	85,393.47	0.27	(16.09)	N/A
7	Trade Payable Turnover Ratio	Purchase of Goods and Service	Average Trade Payable	7,514.47	22,590.12	0.33	12,230.48	22,298.04	0.55	(39.35)	Due to decrease in purchase of goods & services during the year.
8	Net Capital Turnover Ratio	Sales	Working Capital	16,761.28	(4,74,437.72)	(0.04)	22,827.54	(3,86,395.95)	(0.06)	(40.20)	Decrease in sales and increase in current liability

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Sl No	Particulars	Numerator	Denominator	Numerator	Denominator	31-Mar-24	Numerator	Denominator	31-Mar-23	Variation (in%)	Reasons (if Variance is more than 25%)
9	Net Profit Ratio	Net Profit (including OCI)	Sales	(88,248.87)	16,761.28	(5.27)	(2,47,111.70)	22,827.54	(10.83)	(51.36)	Decrease in losses resulted in to improving the ratio
10	Return on Capital Employed	Earning before Interest and Taxes (EBIT)	Capital Employed	(4,949.10)	1,60,811.08	(0.03)	(53,584.02)	1,75,535.11	(0.31)	(89.92)	Decrease in losses resulted in to improving the ratio
11	Return on Investment	Return on Investment	Total Investment	11.29	136.09	0.08	(2.98)	124.80	(0.02)	(447.36)	Due to increase in fair value of quoted equity shares & unquoted mutual fund.

Earning available for Debt Service Net Profit before Taxes + Non-Cash operating expenses like depreciation and other amortisation + Interest + Other adjustments like loss/Profit on sale of Fixed Asset etc.

Debt Service Interest and Lease payments + Principal repayments.

Capital Employed Net Worth + Total Debt + Deferred Tax Liability

Net Worth = Total Assets - Intangible Assets - Total Liability

Note 38: Details of Loans given covered under Section 186(4) of the Companies Act, 2013.

Particulars	31st March, 2024	31st March, 2023
MBE Minerals Zambia Limited*	1,385.04	1,385.04
McNally Bharat Engineering (SA) Proprietary Ltd (deregistered w.e.f. 30.06.2017)*	40.08	40.08
Vedica Sanjeevani Projects Private Limited (ceased to be subsidiary w.e.f. 29.08.2018)#	1,744.38	1,744.38
Total	**3,169.50**	**3,169.50**

*Allowance for doubtful loan receivables recognised

#The Company has given moratorium for payment of interest and hence not recognised interest income on the loan for the year ended 31st March, 2024 on prudential basis.

Refer Note 5 for investments made by the Company

Note 39:

The Company had entered in September 2003 a joint venture agreement with Elsamex S.A. where officially it was appointed as a subcontractor in “West Bengal Corridor Development Project – Improvement of Gazole Hilli Section of SH 10 with a link to Balurghat from Patiram,” (the project). However consequent to considerable delay in execution of the project the Public Works Department of Government of West Bengal (PWD) had unilaterally terminated the contract in January 2006. The Company and Elsamex S.A. felt that such delay in execution was due to the inability of PWD to hand over the stretch of encumbrance free land for widening of road and non-availability of construction drawings on time by PWD. The Company has a legitimate claim of Rs. 1,517 lakhs towards receivable and Rs. 1,133 lakhs on account of deposit against Performance Guarantee. Elsamex S.A. moved to arbitration and had claimed an amount of Rs. 7,334 lakhs including an additional claim on consequential losses as per guidelines of “Federation Internationale Des Ingenieurs-Conseils” (FIDIC). Arbitral Board in their meeting held on 25th October, 2010 has upheld Elsamex S A’s claim and has given award in favour of Elsamex S A. Under the award, a total amount of Rs. 3,535 Lakhs is receivable by the Company. A claim has already been lodged with PWD. PWD has preferred to challenge the verdict of the Arbitrators and has appealed to the High Court in January, 2011 for a stay in the matter of payment of award money. The matter is still pending for hearing.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 40:

Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being C.P (IB) No. 891/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, while disposing off, admitted the application vide order dated 29.04.2022 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional (IRP). Thereafter, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dt.26.08.22. Upon commencement of CIRP, the powers of the Board of Directors of the Company stand suspended and management of the Company vest with the IRP/Resolution Professional (RP). Committee of creditors (COC) of the Holding Company has been constituted on 18.05.2022 on the basis of collation of all claims by the IRP and report is submitted to NCLT by IRP. The COC has been further reconstituted from time to time by the IRP/RP and intimation filed with the Hon'ble NCLT, Kolkata Bench.

The Resolution Plan of one of the Resolution Applicants has received the approval of COC by requisite majority, in term of the Insolvency and Bankruptcy Code, 2016 and COC authorised the RP to issue the Letter of Intent in term 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 had been submitted before the Hon'ble NCLT Court on 3rd August, 2023. The Hon'ble National Company Law Tribunal, Kolkata bench-Court-I (NCLT) has approved the Resolution plan of the successful resolution applicant, namely M/s BTL EPC LTD vide its order dated 19.12.2023. However, the resolution plan submitted by BTL EPC Limited has not been implemented till date. Subsequently, the committee of creditors of the company filed an application with the Hon'ble NCLT to seek appropriate directions and recourse with respect to the approved resolution plan and the Corporate Insolvency Resolution Process(CIRP) of the Company. The matter is being heard by the Hon'ble NCLT and hearing has not been completed. The matter is currently Subjudice. Accordingly, the financial result of the company has been prepared on a going concern basis.

Note 41:

The Company's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers, and successful implementation of resolution plan respectively. In view of the opinion of the management, resolution and revival of the Company is possible in the foreseeable future and the monitoring committee shall also endeavor to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as going concern till the effective date yet to be identified by the resolution applicant. Accordingly, the financial statements of the company have been prepared on going concern basis.

Note 42:

There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the effective date of the NCLT order under sub-section (1) of section 31 of the IBC or adjudicating Authority passes an order for liquidation of corporate Debtors under section 33 of the IBC, as the case may be. The reolution plan is yet to be implemented. The company had received regulatory Enquiries/Notices/Summons/Show-Cause/Demand/Orders from various government authorities such as Goods and Services Tax, Income Tax. In view of Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as moratorium u/s 14 of the Insolvency and Bankruptcy Code,2016 is applicable on the till the effective date of the NCLT order. Therefore, no impact has been considered in these results as of now.

Note 43:

The Company has been categorised as Non Performing Asset by the lender banks and majority of the lender banks have stopped debiting interest on their outstanding debts as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Company has not recognised interest expense on Bank borrowings and Inter-Corporate Borrowings till 31st March, 2022. In the previous year, the company has recorded interest expense till 31st March, 2023 on bank borrowing and inter corporate deposits based on the claims filed

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

with the RP and Memorandum Statements, if provided by the bank. For the remaining, the company has charged interest assuming 16% rate of interest compounded quarterly.

In the current financial year the company has provisionally accounted for interest amounting to Rs. 73,333.91 Lakhs on the oustanding borrowings from under the head Finance Costs.

The operational creditors have also submitted claims to the IRP/RP amounting to Rs. 53,320.16 lakhs, out of which RP has admitted claims of Rs. 18,401.82 lakhs.

Note 44:

Trade Receivables, Other Current Assets and Other Financial Assets are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. The management, however, does not expect any material variation, Management is also hopeful for recovery/realisation of trade receivables which include Rs. 41,093.12 Lakhs under Arbitration/ Proposed Arbitration in the normal course of business, hence no impairment has been considered at this stage.

Note 45: Interest In Joint Venture

Name	Project	Principal Place of Business	31st March, 2024	31st March, 2023
			Proportion of ownership Interest	Proportion of ownership Interest
EMC MBE Contracting Co LLC	EMC	Oman	35%	35%
McNally- AML	Dipka	Indian	98%	98%
	Ananta	Indian	97%	97%
McNally- Trolex	Chhal	Indian	96%	96%
	Baroud	Indian	97%	97%
McNally- Trolex- Kilburn	Sardega	Indian	80%	80%

Note: Profit/Loss for the year of Joint Ventures which are not material have not been considered in the Financial Statements

Note 46:

Other Statutory Information

(i) There is no immovable property held in the name of the Company during the year.

(ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) The Company does not have any transactions with Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, during the year.

(iv) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender

(v) Borrowings from bank and financial institution has been classified as Non-Performing Assets. So, filing of quarterly statements are not required.

(vi) The Company does not have any charge or satisfaction of charge, which is yet to be filed with ROC beyond the statutory period.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) The Company has not advanced or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intemediary shall:

(a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Company has no such transaction unrecorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961 Such as , search or survey or any other relevant provision of the Income Tax Act, 1961.

Note 47:

As the powers of the Board of Directors have been suspended, the financial statements have not been adopted by the Board of Directors. However, the same have been reviewed and signed by the Chairman of the Monitoring Committee, Non-Executive director and KMPs of the Company.

Note 48:

There are no significant subsequent events that would require adjustments or disclosures in the Standalone Financial Statements as on the date of approval of these Standalone Financial Statements.

Note 49:

The Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same were operating throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level to log any direct data changes and in case of modification by certain users with specific access. Further there was no instance of audit trail feature being tampered with respect to the accounting softwares.

Note 50:

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Signature to Note 1 to 50

As per our report of even date

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

(Aniruddha Sengupta)
Partner
Membership Number: 051371

Place: Kolkata
Date : 5th June, 2024

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Financial Section

Independent Auditors' Report

To the Members of

McNally Bharat Engineering Company Limited

Report on the Audit of the Consolidated Financial

Adverse Opinion

We have audited the accompanying Consolidated Financial Statements of McNally Bharat Engineering Company Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us because of the significance of the matter described in the Basis for Adverse Opinion section of our report, the aforesaid Consolidated Financial Statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and also does not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, their consolidated loss including Other Comprehensive Loss, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Adverse Opinion

a) Current Assets, Current Liabilities and Capital Work – in – Progress

i. We draw attention to Note 46 to the Consolidated Financial Statements regarding Trade Receivables, Advance to Suppliers, Trade Payables, Other Financial Assets and Advance from Customer being subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/ settlements of claims and adjustments arising therefrom, if any. Recoverability/ Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.

ii. We draw attention to Note 7(d) to the Consolidated Financial Statements, Claims Recoverable (BG Encashed) amounting to Rs. 36,183.70 Lakhs, including Rs. 11,677.58 Lakhs under arbitration whose fair value is Rs. 21,454.57 Lakhs are doubtful. Adjustments/ Impacts with respect to these are currently not ascertainable and as such cannot be commented upon by us.

iii. There is no material movement in Capital Work-in-Progress amounting to Rs. 462.62 Lakhs, since 31st March, 2016. In absence of any audit evidence, we are unable to ascertain the impact or adjustments required and comment on the same.

b) Non-adjustment of the Carrying Value of Loan

In earlier years, the Holding Company had given unsecured loan to Vedica Sanjeevani Projects Private Limited ("VSPL"). VSPL vide their letter dated 15th February, 2022 informed the Holding Company that it was unable to service the debt and requested the Holding Company for a moratorium on the repayment of the loan, including interest for two years i.e., Financial Year 2021-22 and Financial Year 2022-23. Subsequently, the Holding Company has stopped recognizing interest income on the same. In absence of any further communication between the Holding Company and VSPL made available to us, we are unable to comment on the realizability of loan and its interest and consequential adjustment to be made in the books.

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

c) Recognition of Deferred Tax Assets

Note 8 to the Consolidated Financial Statements mentions that the Holding Company had recognized deferred tax assets of Rs. 51,706.60 lakhs up to 31st March, 2018, which is being carried forward in the books by the Holding Company expecting adequate future taxable profits after infusion of fresh funds in the Holding Company by the successful Resolution Applicant against which such deferred tax assets would be adjusted.

Independent Auditors' Report *(Contd.)*

The Holding Company has been continually incurring losses and its net worth has been fully eroded. We are unable to obtain sufficient appropriate audit evidence with respect to the management's assertions and are therefore, unable to comment on the carrying value of the aforesaid net deferred tax assets on 31st March, 2024.

This constitutes a material departure from the requirements of Indian Accounting Standard 12 "Income Taxes".

Material Uncertainty Related to Going Concern

The Group has reported a net loss in the current year amounting to Rs. 88,319.63 Lakhs (previous year Rs 2,26,339.24 Lakhs) before comprehensive income and is unable to meet its financial commitments/covenants to lenders and various other stakeholders. The ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers and the successful implementation of the resolution plan as approved by the Hon'ble National Company Law Tribunal. These events and conditions indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

However, we could not gather sufficient evidence with respect to the management's assertion and in the absence of required documents/evidence are unable to comment on the preparation of the Statement.

Emphasis of Matters

a) Approval of Resolution Plan by the Committee of Creditors/ NCLT

Note 41 to the Statement informs that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Holidng Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-P01305/2018- 2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP submitted the application before the Hon'ble NCLT on 3rd August 2023 for its final approval. On the 19th December 2023, Hon'ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon'ble NCLT, the Implementation and Monitoring Committee ("IMC") is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation. However, the effect of the order on the financial statements of the Company shall be done only after fulfilling the condition as per the NCLT order and the resolution plan submitted by the Resolution Applicant

b) Non-Assessment of Pending Litigations

Note 44 to the Consolidated Financial Statements refers to the Holding Company's receipt of regulatory Enquiries/ Notices/ Summons/ Show-Cause/ Demand/ Orders from various government authorities such as departments of Goods and Services Tax, Income Tax, etc. In view of the Holding Company's admission under CIRP, all existing civil/ legal proceedings will be kept in abeyance as the moratorium is in force under section 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Consolidated Financial Statements as of now.

c) Recognition of Interest Expense

As referred to in Note 45 to the Consolidated Financial Statements, the Holding Company has recognized interest expense for the year ended 31st March, 2024 on Bank Borrowings, Inter Corporate Deposits, and claim of EIG (Mauritius) Limited under the head 'Finance Costs' amounting to Rs. 73,333.91 Lakhs as estimated by the management.

d) Recognition of interest on outstanding balances of MSME vendors

The company has not provided us with the appropriate audit evidence relating to the identification of balances of MSME parties on which the interest is recognised.

e) Dematerialization of the Shares

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 dematerialized form. As per the audit report issued by the component auditor, McNally Bharat Equipments Limited has defaulted in complying with this requirement

Independent Auditors' Report *(Contd.)*

f) Others

i) Note 47 to the Consolidated Financial Statement states that the Statement of Profit and Loss of EMC MBE Contracting Company LLC whose carrying value in the Financial Statements of the Holding Company is Rs. Nil (Net of impairment) has not been considered in the Consolidated Statement of Profit and Loss.

ii) Note 47 to the Consolidated Financial Statement states that the profit/loss of the Joint Venture of the Holding Company i.e. McNally-Trolex, McNally-AML and McNally-Trolex-Kilburn whose carrying value in the Statement of profit and loss of the Holding Company is Rs. Nil (net of impairment) and has not been considered in the Consolidated Statement of Profit and Loss.

Our opinion on the Consolidated Financial Statements is not modified in respect of these matters.

This Consolidated Financial Statement includes the results of the following subsidiaries except McNally Bharat Engineering (SA) Proprietary Limited:

i) Wholly Owned Subsidiary Companies of the Holding company

- McNally Bharat Equipments Limited
- MBE Mineral Technologies Pte Limited
- MBE Minerals Zambia Limited

This Consolidated Financial Statement does not include the results of the following Joint Ventures:

ii) Joint Ventures of the Holding Company

- McNally-Trolex
- McNally-AML
- McNally-Trolex-Kilburn
- EMC MBE Contracting Company LLC

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section and Emphasis of Matters section of our report, we have determined the matters described below to be the key audit matters to be communicated in our Report.

Independent Auditors' Report *(Contd.)*

Sr. No.	Key Audit Matters	Auditors' Response to Key Audit Matters
1	**Estimated Cost to complete the Project / Revenue Recognition:** (Refer note 1(d) to the Consolidated Financial Statements) The Group recognizes revenue under the percentage of completion method as specified under Indian Accounting Standard 115 "Revenue from Contract with Customers". Recognition of revenue requires estimation of total contract cost which comprises of the actual cost incurred till date and estimated cost further to be incurred to complete the projects. Estimation of the cost to complete involves the exercise of significant judgment by management including assessment of technical data and hence identified	Our audit approach was combination of test of internal controls and substantive procedures which includes the following: 1. Tested the design, implementation, and operating effectiveness of the controls surrounding the determination and approval of estimated cost. 2. Verified the contracts with customers on a check basis including the actual cost incurred and terms and conditions related to the variation of the cost. 3. Discussed with the project management teams for certain selected projects to assess the reasonableness of the estimated cost to be incurred for completing the respective projects. 4. Obtained and relied on the Management Certificate for supporting the accuracy of the estimate of the total cost of the project for selected contracts on test check basis.
2.	**Provisions and Contingent Liabilities** (Refer note 1(u) and 32 to the Consolidated Financial Statements) Prior to the approval of the Resolution Plan, the Company was involved in various tax and other disputes which could potentially result in significant liabilities. Pursuant to the approval of the Resolution Plan by the NCLT, it was determined that no amounts are payable in respect of those litigations as they stand extinguished. The extinguishment of these liabilities depend upon the successful implementation of the Resolution plan. The estimates related to exact outcome of litigations and its possible impact on the financials in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.	We have performed the following procedures to test the recoverability of payments made by the Holding Company in relation to litigations instituted against it prior to the approval of the Resolution Plan: 1. Verified the underlying documents related to litigations and other correspondences with the statutory authorities. 2. Reviewed the provisions of the Order passed by the NCLT to understand the requirements of the said order and evaluated the possible impact. 3. Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS. 4. Discussed with the management on the development in these litigations during the year ended 31st March, 2024. Obtained representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon ('Other Information')

In view of ongoing Corporate Insolvency Resolution Process (CIRP), the management under Monitoring Committee is responsible for the preparation of the Other Information. The Other Information comprises of the information included in the Management Discussion and Analysis, Board's Report including Annexures to its Report, Corporate Governance and Shareholders Information but does not include the Consolidated Financial Statements and our Auditor's Report thereon.

Independent Auditors' Report *(Contd.)*

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

We have read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

We have nothing to report in this regard.

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

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Holding Company and appointed Mr. Ravi Sethia (IBBI/IPA-001/IP-

P01305/2018- 2019/12052) as the Resolution Professional (RP). The RP received Resolution Plans from 4 applicants. Out of the 4, the Resolution Plan of one of the applicants received approval from the Committee of Creditors by the requisite majority and thereafter the RP submitted the application before the Hon'ble NCLT on 3rd August 2023 for its final approval. On the 19th December 2023, Hon'ble NCLT pronounced its order in favor of one of the successful Resolution Applicants i.e. BTL EPC Limited. Pursuant to the approval of the Plan by the Hon'ble NCLT, the Implementation and Monitoring Committee ("IMC") is duly constituted on 19th December 2023 as per the terms of the plan to oversee the implementation.

However, until the implementation of the Resolution Plan submitted by the Successful Resolution Applicant as per the conditions set out in the NCLT order, the management under the Monitoring Committee is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive loss, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed 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 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the management under the Monitoring Committee is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so. The management under the Monitoring Committee is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

Independent Auditors' Report *(Contd.)*

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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Consolidated financial statements in place and they were operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management under the Monitoring Committee.
- Conclude on the appropriateness of management under the Monitoring Committee'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 Group'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 Consolidated 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.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(i) The Consolidated Financial Statements includes the audited financial statements/information of one subsidiary which reflects the Group's share of total assets Rs 160.04 Lakhs total revenue Rs 198.33 Lakhs and net cash flow/(outflow) of Rs (27.92) Lakhs for the year ended as on that date, which was not audited by us. The financial information has been considered based on the financial statements audited by another auditor whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on the reports of auditor of that subsidiary.

(ii) The Consolidate financial statements includes the unaudited financial statements/ information of two overseas subsidiaries which reflects the Group's share of total assets Rs 108.08 Lakhs, total revenue Nil, and net cash flow/(outflow) Nil for the year ended as on that date.

Independent Auditors' Report *(Contd.)*

These Financial Information/Results have been furnished to us by the management under the monitoring committee and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on such interim financial Information/Results. In our opinion and according to the information and explanations given to us by the management under the RP, these interim financial information/ results are not material to the Group.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by 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 Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We/the other auditor whose report we have relied upon have sought and except for possible effects of the matters described in the basis for Adverse Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) except for the possible effects of the matter described in the Basis for Adverse Opinion Section above, in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and report of the other auditor ;

   c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statement;

   d) considering the significance of the matter described in the Basis for Adverse Opinion Section above, in our opinion, the aforesaid Consolidated Financial Statements do not comply with the Indian Accounting Standards specified under Section 133 of the Act;

   e) on the basis of the written representations received from the directors of the Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act. However, in view of ongoing CIRP starting from 29th April, 2022, the powers of Board of Directors stand suspended as per section 17 of the Code and such powers are exercised by the Resolution Professional/ Chairman of the Monitoring Committee during the year.

   f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses adverse opinion on the adequacy and operating effectiveness of internal financial controls of the Holding Company with reference to the consolidated financial statement.

   g) The adverse remarks on the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion section above.

   h) The matters described in the Basis for Adverse Opinion section above, specially that relating to Non Adjustment of the carrying value of loan stated in para (b) of that section, adjustment of balances of Current Assets, current liabilities, and Capital Work – In - Progress as per the basis stated in para (a) about pending confirmations and adjustments and Material uncertainty relating to going concern assumption pending implementation of Resolution Plan, in our opinion, may have adverse effect on the functioning of the group.

   i) 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, as amended in our opinion and to the best of our information

Independent Auditors' Report *(Contd.)*

and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph::

i. except for the possible effect of the matter described in the Basis for Adverse Opinion section above, the Group has disclosed the impact of pending litigations on its financial position in the Consolidated Financial Statements (Refer Note 32 to the Consolidated Financial Statements);

ii. the Group has made provision as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contract including derivative contracts; and

ii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv.

a) The management under the Monitoring Committee has represented that, to the best of its knowledge and belief, 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 group to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to 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 under the Monitoring Committee has represented that, to the best of its knowledge and belief, no funds have been received by the group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend to 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries on our audit procedure that has been considered reasonable and appropriate in the circumstances, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement. However, in respect of the earlier year transactions dealing with loans and advances, securities, guarantees etc. as stated in those years which are forming part of the Basis for Adverse Opinion as given above, we are unable to ascertain and/or comment as required under this para.

v. The Group has not declared any dividend during the financial year thereby reporting under Section 143(11)(f) is not applicable for the group.

vi. Based on our examination, which included test checks, the Holding company has used accounting software for maintaining its books of accounts which has a feature of recording in the software an audit trail, except that the audit log is not maintained in case of modification by certain users with specific access and that the audit trail features have not been enabled at the database level to log any direct data changes. During the course of performing our procedures, other than the aforementioned instances where the question of our commenting on the audit trail feature being tampered with does not arise, we did not notice any instances of audit trail feature being tampered with.

Further, the following remark was included in the auditor's report dated 22nd May 2024, containing an unmodified opinion on the statutory financial statement of McNally Bharat Equipments Limited, a subsidiary of the Holding Company, incorporated in India whose Statutory Financial Statements have been audited under the Act, issued by an independent firm of Chartered Accountants, which is reproduced as under :-

Independent Auditors' Report *(Contd.)*

"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."

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration No. 311017E

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 24051371BKFAFT8970

Place: Kolkata
Date: 5th June, 2024

Annexure - A to the Independent Auditors' Report

Referred to in Paragraph-1 of the Independent Auditor's Report of even date to the members of McNally Bharat Engineering Company Limited on the Consolidated Financial Statements as of and for the year ended 31st March, 2024.

As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order 2020 ("CARO 2020") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report any Adverse remark or qualification in the report by the respective auditor of the subsidiary company in their CARO report and the Standalone Financial Statement Statements of the Holding Company:

Name of the Company	CIN	Holding / Subsidiary Company	Date of respective Audit Report	Clause number of CARO Report which is qualified or adverse
McNally Bharat Engineering Company Limited	L45202WB1961PLC025181	Holding	05th June, 2024	(i)(b), (ii)(b), (iii)(b), (iii)(c), (iii)(f), (vii)(a), (vii)(b), (ix)(a)(i), (ix)(a)(ii), (xiv)(b), (xix)
McNally Bharat Equipments Limited	U27106WB2008PLC123789	Subsidiary	22nd May, 2024	Nil

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration No. 311017E

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 24051371BKFAFT8970

Place: Kolkata
Date: 5th June, 2024

Annexure - B to the Independent Auditors' Report

Referred to in Paragraph 2(f) on Other Legal and Regulatory Requirements of our Report of even date to the members of McNally Bharat Engineering Company Limited on the Consolidated Financial Statements for the year ended 31st March, 2024

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of McNally Bharat Engineering Company Limited ("the Holding Company") and its subsidiaries which are incorporated in India (collectively referred to as "the Group") as of and for the year ended 31st March, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective management under the Monitoring Committee of the Holding Company and Board of Directors of its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial controls over financial reporting includes those policies and procedures that

(1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated

Annexure - B to the Independent Auditors' Report *(Contd.)*

financial statements of future periods are subject to the risk that the internal financial controls with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the company's internal financial control over financial reporting with reference to financial statements as at 31st March, 2024:

(i) with respect to the Holding Company not establishing an internal control framework relating to all components of internal control and consequently controls have not been designed to evaluate the appropriateness of the carrying amount of deferred tax, Impairment of trade receivable and other financial assets and recognition of gain on fair valuation of financial liabilities.

(ii) with respect to receivables appropriate provisioning did not operate effectively which resulted in non-ascertainment of adequate provisioning against the receivables.

(iii) with respect to loan given, the Holding company did not have appropriate system to evaluate the credit worthiness of the party and recoverability of monies given including interest thereon and also ensuring the compliances with respect to provisions of the Companies Act, 2013 so that these are not considered to be prejudicial to the interest of the Company.

(iv) Certain individual details of debit and credit balances and reconciliation thereof with control balances of receivable/payable, identification of MSME vendors, including supporting evidence for movement thereof as given in Note 31 and 46 of the consolidated financial statement were not available. IT Control systems and procedures needs strengthening in terms of framework for Internal Control over financial reporting with reference to financial statements taking into account related controls and procedures as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India so as to facilitate required reconciliations and provide details for documentation with respect to internal financial controls in the respective areas.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the Holding Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion as well as to the best of our information and according to the explanation given to us, because of the effects of the material weakness as described above on the achievement of the objectives of the control criteria, the Group has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as at 31st March 2024 based on the criteria for internal financial control over financial reporting established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

We have considered the material weakness identified and report in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial Statement of the Group for the year ended 31st March 2024 and these material weaknesses have affected our opinion on the said Consolidated financial statements of the Group and we have issued an adverse opinion on the consolidated Financial Statement of the Group.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to a subsidiary company incorporated in India, is based on the corresponding report of the auditor of that company incorporated in India

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration No. 311017E

(Aniruddha Sengupta)
Partner
Membership No. 051371
UDIN: 24051371BKFAFT8970

Place: Kolkata
Date: 5th June, 2024

Consolidated Balance Sheet as at 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March , 2024	As at 31st March, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,420.57	1,670.83
Right to use Assets	3	32.49	97.47
Capital Work-in-progress	3	462.62	462.62
Investment Property	4	-	-
Goodwill on Consolidation	5	-	-
Other Intangible Assets	5	62.20	56.54
Financial Assets			
i. Investments	6	126.15	114.85
ii. Other Financial Assets	7(d)	27.60	20.50
Deferred Tax Assets (net)	8	51,706.60	51,706.60
Total Non-Current Assets		**53,838.23**	**54,129.41**
Current Assets			
Inventories	9	37.12	74.68
Financial Assets			
i. Trade Receivables	7(a)	74,241.16	75,293.73
ii. Cash and Cash Equivalents	7(b)	1,743.73	3,012.10
iii. Bank Balances other than (ii) above	7(b)	325.16	11.37
iv. Loans	7(c)	1,816.01	1,828.12
v. Other Financial Assets	7(d)	28,132.37	34,321.14
Current Tax Assets (net)	10(a)	227.46	234.73
Other Current Assets	10(b)	39,572.94	40,846.20
Total Current Assets		**1,46,095.95**	**1,55,622.07**
Total Assets		**1,99,934.18**	**2,09,751.48**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11(a)	21,157.08	21,157.08
Other Equity			
Reserves and Surplus	11(b)	(4,41,891.17)	(3,53,635.66)
Equity attributable to owners of the Holding Company		(4,20,734.09)	(3,32,478.58)
Non-controlling Interest		0.15	0.11
Total Equity		**(4,20,733.94)**	**(3,32,478.47)**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
i. Borrowings	12(a)	115.00	115.00
ii. Lease Liabilities	12(c)	-	24.22
Provisions	14	199.18	259.06
Total Non-Current Liabilities		**314.18**	**398.28**
Current Liabilities			
Financial Liabilities			
i. Borrowings	12(b)	3,10,530.86	3,10,324.52
ii. Lease Liabilities	12(c)	38.76	87.60
iii. Trade Payables			
- Total outstanding dues of Micro, Small and Medium Enterprises	12(d)	187.12	184.22
- Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		22,436.37	22,893.20
iv. Other Financial Liabilities	12(e)	2,82,530.61	2,03,112.60
Other Current Liabilities	13	4,542.50	5,137.21
Provisions	14	87.72	92.32
Total Current Liabilities		**6,20,353.94**	**5,41,831.67**
Total Equity and Liabilities		**1,99,934.18**	**2,09,751.48**
Material Accounting Policies, Judgements, Estimates and Assumptions	1-2		

The above Consolidated Balance Sheet should be read in conjunction with the accompanying note nos. 1 to 53.
This is the Balance Sheet as referred to in our report of even date.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

(Aniruddha Sengupta)
Partner
Membership Number: 051371

Place: Kolkata
Date : 5th June, 2024

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from Operations	15	16,811.26	38,078.60
Other Income	16(a) & (b)	4,739.84	4,381.68
Total income		**21,551.10**	**42,460.28**
Expenses			
Cost of Materials Consumed	17	7,552.24	21,440.63
Changes in Inventories of Work-in-Progress and Finished Goods	18	-	(83.00)
Outsourcing Expenses to Job Workers		7,552.31	9,644.30
Employee Benefits Expense	19	2,962.03	6,279.57
Finance Costs	20	83,377.18	1,93,863.72
Depreciation and Amortisation Expenses	21	320.90	1,004.87
Other Expenses	22	8,103.74	32,803.02
Total Expenses		**1,09,868.40**	**2,64,953.11**
Profit/(Loss) before exceptional items		**(88,317.30)**	**(2,22,492.83)**
Exceptional Items	22 (c)	-	2,390.24
Profit/(Loss) before tax		**(88,317.30)**	**(2,20,102.59)**
Income Tax Expense			
- Current Tax		2.33	2.69
- Tax for earlier years	23	-	(22.89)
- Deferred Tax		-	6,233.89
Total Tax Expense		**2.33**	**6,213.69**
Profit/(Loss) for the year		**(88,319.63)**	**(2,26,316.28)**
Other Comprehensive Income/(Loss) for the year			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Post-employment Defined Benefit Obligations		77.41	(22.96)
Exchange Difference on translation of foreign operations		(13.25)	-
Other Comprehensive Income/(Loss) for the year		**64.16**	**(22.96)**
Total Comprehensive Income/ (Loss) for the year		**(88,255.47)**	**(2,26,339.24)**
Profit/(Loss) attributable to:			
Owners of the Holding Company		(88,319.67)	(2,27,060.38)
Non-Controlling Interest		0.04	744.10
		(88,319.63)	**(2,26,316.28)**
Other Comprehensive Income/(Loss) attributable to :			
Owners of the Holding Company		64.16	(17.06)
Non-Controlling Interest		-	(5.90)
		64.16	**(22.96)**
Total Comprehensive Income/(Loss) attributable to :			
Owners of the Holding Company		(88,255.51)	(2,27,077.44)
Non-Controlling Interest		0.04	738.20
		(88,255.47)	**(2,26,339.24)**
Earnings per share (EPS) for the year (Face value of ₹ 10/- per share):			
Basic (₹)	36	(41.74)	(107.32)
Diluted (₹)	36	(41.74)	(107.32)
Material Accounting Policies, Judgements, Estimates and Assumptions	1-2		

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying note nos. 1 to 53.
This is the Profit and Loss as referred to in our report of even date.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Aniruddha Sengupta)
Partner
Membership Number: 051371

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Place: Kolkata
Date : 5th June, 2024

Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Notes	Equity Share Capital
As at 31st March, 2022		**21,157.08**
Changes in Equity Share Capital	11(a)	-
As at 31st March, 2023		**21,157.08**
Changes in Equity Share Capital	11(a)	-
As at 31st March, 2024		**21,157.08**

B. Other Equity

Particulars	Notes	Reserves and surplus							Non-Controlling Interests	Total
		Securities Premium	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Foreign Currency Translation Reserve	Other Reserve	General Reserve		
Balance as at 1st April, 2022		**1,12,869.05**	**(2,37,147.21)**	**101.00**	**344.28**	**(202.99)**	**83,804.27**	**1766.64**	**1,231.51**	**(37,233.46)**
Profit/(Loss) for the year	11(b)		(2,27.060.38)						744.10	(2,26,316.28)
Other Comprehensive Income/ (Loss) for the year	11(b)		(17.06)						(5.90)	(22.96)
Adjustment for change in ownership interest	11(b)	-	(3,738.22)	-	(344.28)	-	-	(216.99)	(1,969.60)	(6,269.09)
Appropriations during the year	11(b)	-	-	-	-	10.51	-	-	-	10.51
Reversal of Fair value gain on Financial Liabilities		-	-	-	-	-	(83,804.27)	-	-	(83,804.27)
Balance as at 31st March, 2023		**1,12,869.05**	**(4,67,962.87)**	**101.00**	**-**	**(192.48)**	**-**	**1,549.64**	**0.11**	**(3,53,635.55)**
Profit/(Loss) for the year	11(b)	-	(88,319.67)	-	-	-	-	-	0.04	(88,319.63)
Other Comprehensive Income/ (Loss) for the year	11(b)	-	77.41	-	-	-	-	-	-	77.41
Effects of Exchange rate changes	11(b)	-	-	-	-	(13.25)	-	-	-	(13.25)
Balance as at 31st March, 2024		**1,12,869.05**	**(5,56,205.13)**	**101.00**	**-**	**(205.73)**	**-**	**1,549.64**	**0.15**	**(4,41,891.02)**

Note : An amount of Rs. 620 Lakhs (including Securities Premium of Rs. 520 Lakhs) was received by the Holding Company as 25% subscription money from two parties towards allotment of 40,00,000 Equity Share Warrants. On non-exercise of their option attached to the warrants for subscription of Equity Shares of the Holding Company, the Holding Company has forfeited the amount during the financial year 2019-20.

The above Consolidated Statement of Change in Equity should be read in conjunction with the accompanying note nos. 1 to 53.

This is the Statement of Changes in Equity as referred to in our report of even date.

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

(Aniruddha Sengupta)
Partner
Membership Number: 051371

Place: Kolkata
Date : 5th June, 2024

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flow from Operating Activities		
Profit/(Loss) before tax	**(88,317.30)**	**(2,20,102.59)**
Adjustments for		
Exceptional item	-	(2,390.24)
Depreciation	320.90	1,004.87
Finance Costs	83,377.18	1,93,863.72
Interest Income	(4,232.50)	(3,887.16)
Loss/(Profit) on Disposal of Property, Plant & Equipment (Net)	-	0.68
Goodwill Written off	-	1,162.64
Provision for Expected Credit Loss on Trade Receivables and due from customers	(105.77)	14,193.46
Provision for Slow moving Stock	29.27	44.29
Liquidated Damages	-	6,349.88
Bad Debts Written Off	9.99	4,487.14
Provision/Liabilities no longer required written back	(1.33)	-
Claim recoverable Written Off	-	841.35
Provision for Future Foreseeable Losses in Construction Contracts	5,522.86	(533.78)
Unrealised (gain)/ loss on Foreign Currency Translation (Net)	13.15	141.99
Foreign Currency Translation Reserve	-	10.51
Net (gain)/loss on financial assets measured at fair value through profit or loss	(11.29)	2.99
Change in Operating Assets and Liabilities:		
(Increase)/Decrease in Trade Receivables	1,158.81	258.80
(Increase)/Decrease in Inventories	8.29	5,346.85
Increase/(Decrease) in Trade Payables	(529.24)	(2,786.00)
(Increase)/Decrease in Other Financial Assets	199.42	4,171.24
(Increase)/decrease in Other Non-current Assets	-	134.00
(Increase)/decrease in Other Current Assets	1,273.26	4,220.27
Increase/(decrease) in Provisions	12.93	(557.87)
Increase/ (decrease) in Other Financial Liabilities	561.06	(5,193.59)
Increase/ (decrease) in Other Liabilities	(594.71)	(630.64)
Cash generated from Operations	(1,305.02)	152.84
Income taxes (paid)/Refund	4.94	846.74
Net cash inflow / (outflow) from Operating Activities	**(1,300.08)**	**999.58**
Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment	(0.82)	11,410.78
Purchase of Other Intangible Asset	(10.50)	-
Loss of Control	-	(12,609.94)
Deposits matured/(made)	(321.51)	128.98
Interest received	247.54	-
Net cash inflow / (outflow) from Investing Activities	**(85.29)**	**(1,070.17)**

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

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Cash flows from Financing Activities		
Proceeds from borrowings	277.66	3,992.29
Repayment of borrowings	(21.49)	(3,000.17)
Lease Repayment	(73.06)	(275.66)
Finance Costs	(66.92)	(158.18)
Net cash inflow / (outflow) from Financing Activities	**116.19**	**558.27**
Net increase / (decrease) in Cash and Cash Equivalents	**(1,269.18)**	**487.68**
Cash and cash equivalents at the beginning of the year	**3,012.10**	**4,502.27**
Loss of Control	-	1,978.00
Effects of exchange rate changes on Cash and Cash Equivalents	0.81	0.15
Cash and Cash Equivalents at end of the year	**1,743.73**	**3,012.10**
Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows		
Cash and Cash Equivalents as per above comprise of the following		
Particulars	**Year ended 31st March, 2024**	**Year ended 31st March, 2023**
Cash and Cash Equivalents {Note 7(b)}	1,743.73	3,012.10
Balances per Statement of Cash Flows	**1,743.73**	**3,012.10**

Notes:

The Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying note nos. 1 to 53. .

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

(Aniruddha Sengupta)
Partner
Membership Number: 051371

Place: Kolkata
Date : 5th June, 2024

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

Corporate Information

The Consolidated Financial Statements comprise of Financial Statements of "McNally Bharat Engineering Company Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group")" for the year ended 31st March, 2024.

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide order dated 29.04.2022 while admitting section 7 application under Insolvency and Bankruptcy Code, 2016 of one of the financial creditors, initiated Corporate Insolvency Resolution Process against the Holding company.

CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was initially appointed as the Interim Resolution Professional in the said matter. Subsequently, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dated 26.08.2022.

The Hon'ble National Company Law Tribunal, Kolkata bench-Court-I (NCLT) has approved the Resolution plan of one of the successful resolution applicants, namely M/s BTL EPC LTD vide its order dated 19.12.2023.

The Resolution plan of M/s BTL EPC Limited has not been implemented till now. The Committee of creditors of the company filed an application with Hon'ble NCLT to seek appropriate directions and recourse with respect to the approved resolution plan and the CIRP of the Holding company. The matter is pending and sub-judice.

This note provides a list of material accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Monitoring Committee has approved the consolidated financial statements for the year ended 31st March, 2024 authorized for issue on 5th June, 2024

Note 1: Material Accounting Policies

(a) Basis of Preparation of Consolidated Financial Statements

(i) Compliance with Ind AS

The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in these Consolidated Financial Statements.

(ii) Historical cost convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.
- Share-based Payments

(iii) Current versus Non Current Classification

All assets and liabilities have been classified as current or non - current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. 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 Group has ascertained, on an average its operating cycle for the purpose of current – non-current classification of assets and liabilities to be 12 to 24 months.

(iv) Use of estimates and judgements

The estimates and judgements used in the preparation of the Consolidated Financial Statements are continually evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

results may differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(b) Segment Reporting

The Group is primarily engaged in two business segments viz. “Turnkey engineering” and “other engineering services”. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e., Chief Operating Officer and Chief Financial Officer for the purpose of resource allocation and assessing performance focuses separately on the aforesaid segment. The CODM reviews the Group’s performance on the analysis of profit/(loss) before tax at each segment level. Accordingly, appropriate disclosure is made for reportable segments in accordance with Ind AS 108 “Operating Segments”.

(c) Foreign Currencies

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in ‘Other Income’. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Consolidated Statement of Profit and Loss.

(i) Functional Currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The Consolidated Financial Statements are presented in Indian rupee (INR), which is the Holding Company’s functional currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Consolidated Statement of Profit and Loss.

Foreign exchange differences regarded as adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs.

All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other gains / (losses).

Non – monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Revenue Recognition

The Group derives revenues primarily from turnkey solutions in the areas of Power, Steel, Aluminum, Material Handling, Mineral Beneficiation, Pyroprocessing, Pneumatic Handling of powdered materials including fly ash handling and high concentrate disposal, coal washing, Port cranes, Cement, Oil & Gas, civic and industrial water supply etc. (together called as “turnkey solutions”).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable considerations) allocated to that performance obligation. The transaction price of goods and services

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

rendered is net of variable consideration on account of various discounts and schemes offered by the Group as per the contract.

(i) Sale of Goods and Services

For contracts with customers in which the sale of equipment is generally expected to be the only performance obligation, adoption of Ind AS 115 does not have any material impact on the Group's revenue and profit or loss. The Group has concluded that the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods as per the terms of the contracts with the customers.

Revenue from the sale of goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services is recognized in accounting period in which services are rendered. Revenue is recognized based on the actual service provided till the end of the reporting period as a proportion of the total services be provided (percentage of completion method).

(ii) Revenue from Construction Contracts

Revenue from contracts are recognised with reference to the stage of completion method in accordance with Ind AS - 115. Obligations under the long term construction contracts are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

The outcome of a construction contract is considered as estimated reliably when (a) all critical approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches reasonable level of development.

The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included as a liability as advances received. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(iii) Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Export Benefits

Export incentives are accounted for in the year in which the entitlements are realised.

(v) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

(e) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used till the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity. In such cases, the taxes are also recognised in Other Comprehensive Income or directly in Equity, as the case may be.

(f) Leases

At inception of a contract, the entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

As a Lessee (Assets taken on lease)

The Group recognizes a Right-of-use Asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, if applicable. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or those payments occur.

As a Lessor

Lease income from operating lease where the Group is a lessor is recognised in income. The respective leased assets are included in the Consolidated Balance Sheet based on their nature.

(g) Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(h) Cash and Cash Equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand, demand deposits with banks, other short-term deposits, highly liquid investments, if any, 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 Consolidated Balance Sheet.

(i) Trade Receivables

Trade receivables are recognized initially at the transaction price and subsequently recognized at amortised cost less provision for impairment.

(j) Inventories

Inventories consists of raw materials and components, stores and spares, loose tools which are valued at cost and work in progress and finished goods which are stated at lower of cost or net realizable value. Cost of inventories comprises cost of purchases. Cost of work in progress and finished goods comprise direct material, direct labour and an appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Cost of purchases in relation to inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

(k) Financial Liabilities

Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss. Where there is a 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 becomes 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.

(ii) Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as required by Ind AS 109. All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortised cost net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

(iii) De-recognition of financial liabilities:

A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(l) Investments and Other Financial Assets

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss, and
- Those measured at amortized cost.
- Those to be measured subsequently at fair value through other comprehensive income, and

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses will be recorded in the Consolidated Statement of Profit and Loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Further, in respect of retention amount receivable from customers the management generally has intention to provide bank guarantee to get an instant release of retention amount from customers. Therefore, the retention amounts are generally carried at amortized cost less provision for impairment.

Investments in Subsidiaries and Joint Ventures are recognized at cost as per Ind AS 27 "Separate Financial Instruments" less impairment provision, if any, as per Ind AS 36 "Impairment of Financial Assets". Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint venture and Associates the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

(a) Debt instruments measured at amortized cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(b) Equity instruments at Fair value through Profit or loss (FVTPL) - The Group subsequently measures all equity investments other than in subsidiaries and joint venture at fair value through profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of equity instruments at fair value through profit or loss are recognized in other gain/ (losses) in the Consolidated Statement of Profit and Loss. The Group has not selected the irrevocable option of classifying investments to be carried at Fair Value through Other Comprehensive Income (FVOCI).

(iii) Impairment of Financial Assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group provides for expected credit loss allowance by taking into consideration historical trend, industry practices and the business environment in which the Group operates. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

For trade receivables and due from customers, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when the contractual rights to receive the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(m) Derivatives that are not designated as hedges

Derivatives are initially recognsied at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Such contracts are accounted for at fair value through profit or loss and are included in other gains / losses. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(n) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(o) Property, Plant and Equipment

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if:

i. it is probable that future economic benefits associated with the item will flow to the entity; and

ii. the cost of an item can be measured reliably.

All items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these during more than a period of 12 months.

Property, plant and equipment which are not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use.

(i) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which in a case is different than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets as given below. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Class of Assets	Useful Lives as followed by the management
Plant and Machinery	3 to 20 years

Management believes that useful lives of these assets reflect the periods over which these assets are expected to be used.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

An asset's carrying amount is written down immediately to its recoverable amount if, and only if, the recoverable amount of an asset is less than its carrying amount and an impairment loss shall be recognized immediately in the Consolidated Statement of Profit and Loss. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other gains/ losses.

(p) Investment Properties

Property that is held for long term rental yields or for capital appreciation or both, and is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to Statement of Profit and Loss during the reporting period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced cost is derecognized.

Investment properties are depreciated using straight line method over the estimated useful lives.

On transition to Ind AS, the group has elected to continue with the carrying value of its investment properties measured at the previous GAAP and use that carrying value as the deemed cost of investment properties.

(q) Intangible Assets

Intangible Assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment, if any.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of its intangible assets measured at the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(i) Computer Software

Costs incurred on computer software resulting in future economic benefits are capitalized as Intangible Assets.

Intangible Assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining software programs are recognised as an expense as incurred. Cost of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

(ii) Research and Development

Expenditure on Research and Development that does not meet the criteria laid out in the standard are recognized as expenses as and when incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent period.

Development costs are recognised as intangible assets when the following criteria are met:

1. it is technically feasible to complete the intangible asset so that it will be available for use,

2. management intends to complete the intangible asset and use or sell it,

3. there is an ability to use or sell the intangible asset,

4. it can be demonstrated how the intangible asset will generate probable future economic benefits,

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

5. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and

6. the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(i) Amortisation methods and periods

Computer software are amortized on a straight line basis over a period of three years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other gains/ losses.

(ii) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating unit for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(r) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(s) Borrowings

Borrowings are initially recognized at fair 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 profit and loss over the period of borrowings using the effective interest method.

Preference Shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these Preference Shares are recognized in the Consolidated Statement of Profit and Loss as finance costs.

Borrowings are derecognised from the Consolidated 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 the Consolidated Statement of Profit and Loss as other gains/ losses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(t) Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

Other borrowing costs are expensed to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(u) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated.

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 discount rate does not reflect risks for which future cash flow estimates have been adjusted. The increase in the provision due to the passage of time is recognised as interest expense in the Consolidated Statement of Profit and Loss.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or amount of the obligation cannot be measured with sufficient reliability.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information of previous 18 months' sales on an average, management estimates regarding possible future incidence based on corrective actions on product failure.

(v) Employee Benefits

(i) Short – term Obligations

Liabilities for wages and salaries, including compensated absences which are expected to be availed or encashed within 12 months after the year end and non - monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The obligations are presented as non-current liabilities in the Consolidated Balance Sheet if the entity does not expect actual settlement will occur within the operating cycle after the reporting period.

Employees' State Insurance Scheme: Contribution to Central Government of India administered Employees' State Insurance Scheme for eligible employees is recognized as charge in the Consolidated Statement of Profit and Loss in the year in which they are accrued.

(ii) Other Long Term Employee Benefit Obligations

The liabilities for earned leave, sick leave and long service award are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit Method. The benefits are discounted using the yield on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial

Notes forming part of the Consolidated Financial Statements

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assumptions are recognized in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur.

The obligations are presented as current liabilities in the Consolidated Balance Sheet if the entity does not have an unconditional right to defer settlement for at least the operating cycle after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Defined Benefit Plans

The Group operates defined benefit plans such as Gratuity, Post - employment medical obligations and Provident Fund (administered by independent Trust).

The Group provides for gratuity covering eligible employees in accordance with Payment of Gratuity Act, 1972. The plan provides for lump sum payment to vested employees at retirement, death, incapacitation or termination of employment. The gratuity fund is administered by independent Trustees. Plan assets are managed by Life Insurance Corporation of India (LICI).

The Group provides for post – retirement medical benefits to eligible retired employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

The Group has a provident fund benefit plan which is administered by the independent Provident Fund Trust. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. The Group make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Group has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Group's obligation to meet the shortfall, it is categorized as a defined benefit plan.

The liability or asset recognized in the Consolidated Balance Sheet in respect of the above defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

- Superannuation Fund

This is the defined contribution plan. The Group contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Group has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

- Gratuity

This is a defined benefit plan. The schemes, which are funded with Life Insurance Corporation of India (LIC), are administered by independent trusts. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

Notes forming part of the Consolidated Financial Statements

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

- Bonus plans

The Group recognizes a liability and an expense for bonus. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(w) Non- Current Assets held for sale.

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

a. The appropriate level of management is committed to a plan to sell the asset (or disposal group),

b. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

c. The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

(x) Other Assets held for sale

Any other asset (tangible or intangible) held for sale is disclosed separately in Financial Statements, as appropriate. PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

(y) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether the equity instruments or assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of the

- Fair values of the assets transferred;
- Liabilities incurred to the former owners of acquired business;
- Equity interests issued by group; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values acquisition date.

Acquisition-related costs are expensed as incurred. The excess of the:

- Consideration transferred;

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

- Amount of any non-controlling interest in acquired entity, and
- Acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase is recognized directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

(z) Exceptional items

When items of income and expenses within the statement of profit and loss from ordinary activities are of such size, nature and/or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(aa) Contributed Equity

Equity Shares are classified as equity. The issue expenses of securities which qualify as equity instruments are written off against Securities Premium Reserve.

(ab) Dividends Payment

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(ac) Earnings Per Share

(i) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing:

- Profit/ (Loss) attributable to equity shareholders of the Group
- By the weighted average number of Equity Shares outstanding during the financial year.

(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

- Profit/(Loss) after income tax effect of interest and other financing costs associated with dilutive potential Equity Shares, and
- The weighted average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares.

(ad) Principles of consolidation and Equity Accounting

- Subsidiaries

Subsidiaries are all entities over which the Holding Company has control. The Holding Company controls an entity when it is exposed to or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Holding Company. They are deconsolidated from the date that control ceases.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the reporting period. Any exchange difference arising on consolidation is recognised in Foreign Currency Translation Reserve.

The unaudited financial statements of foreign subsidiaries, its associates and joint venture have been prepared in accordance with Generally Accepted Accounting Policies of its Country of Incorporation.

The acquisition method of accounting is used to account for business combination.

The Holding Company combines the financial statements of itself and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Holding Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

- **Joint Arrangements**

Under Ind AS 111 Joint arrangements, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Holding Company has a joint venture. The Financial Statements of the Joint Venture of the Holding Company i.e. EMC MBE Contracting Company LLC whose carrying value in the Financial Statements of the Holding Company is Rs. Nil (net of impairment) and has not been considered in the Consolidated Financial Results.

(ac) Recent pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, the effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Rules are stated below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 107 - Financial Instruments Disclosures

This amendment has made an addition which says that "Information about the measurement basis for financial instruments used in preparing the financial statements is material accounting policy information and is to be disclosed." The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

Apart from above, consequential amendments and editorials have been made to other Ind AS like Ind AS 34, Ind AS 101, Ind AS 103, Ind AS 109 and Ind AS 115.

(af) Rounding off amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III to the Act, unless otherwise stated.

Note 2: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures relating to contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies requires critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Consolidated Financial Statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated Financial Statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

In the process of applying the Group's accounting policies, management has made the following estimates, judgements and assumptions which have the significant effect on the amounts recognized in the Consolidated Financial Statements:

1. Going Concern Assumptions
2. Expected cost of completion of Contracts.
3. Fair value measurement of Financial Instruments.
4. Recognition of Deferred Tax Assets for carried forward tax losses
5. Impairment of Trade Receivables and Due from Customers
6. Provisions, Claims and Contingent Liabilities
7. Estimation of Defined Benefits Obligation
8. Useful life of Property, Plant and Equipment
9. Decommissioning Obligations

Estimates and judgements are continually evaluated on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 3: Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total	Capital Work-in-progress	Right to Use Assets
1st April, 2023										
Gross Block										
Opening Gross Block	-	-	-	9,765.28	678.33	109.97	44.64	10,598.22	462.62	194.94
Additions	-	-	-	0.80	-	-	-	0.80	-	-
Disposals/Adjustments	-	-	-	-	0.02	-	-	0.02	-	-
Closing Gross Block	**-**	**-**	**-**	**9,766.08**	**678.35**	**109.97**	**44.64**	**10,599.04**	**462.62**	**194.94**
Accumulated Depreciation										
Opening Accumulated Depreciation	-	-	-	8,166.50	644.10	76.90	39.89	8,927.39	-	97.47
Depreciation charge during the year	-	-	-	237.64	8.51	3.46	1.47	251.08	-	64.98
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	**-**	**-**	**-**	**8,404.14**	**652.61**	**80.36**	**41.36**	**9,178.47**	**-**	**162.45**
Net Block as at 31st March, 2024	**-**	**-**	**-**	**1,361.94**	**25.74**	**29.61**	**3.28**	**1,420.57**	**462.62**	**32.49**
1st April, 2022										
Gross Block										
Opening Gross Block	289.00	2,533.69	13,367.40	18,970.18	1,047.44	426.96	126.97	36,761.64	482.62	447.70
Additions	-	-	-	-	0.09	0.05	-	0.14	-	-
Disposals/Adjustments (refer note 52)	(289.00)	(2,533.69)	(13,367.40)	(9,204.90)	(369.20)	(317.04)	(82.33)	(26,163.56)	(20.00)	(252.76)
Closing Gross Block	**-**	**-**	**-**	**9,765.28**	**678.33**	**109.97**	**44.64**	**10,598.22**	**462.62**	**194.94**
Accumulated Depreciation										
Opening Accumulated Depreciation	0.40	282.87	5,182.97	16,369.39	980.56	372.22	100.10	23,288.51	-	108.25
Depreciation charge during the year	-	-	388.52	447.20	22.51	13.11	7.60	878.94	-	122.55
Disposals/Adjustments (refer note 52)	(0.40)	(282.87)	(5,571.49)	(8,650.09)	(358.97)	(308.43)	(67.81)	(15,240.06)	-	(133.33)
Closing Accumulated Depreciation	**-**	**-**	**-**	**8,166.50**	**644.10**	**76.90**	**39.89**	**8,927.39**	**-**	**97.47**
Net Block as at 31st March, 2023	**-**	**-**	**-**	**1,598.78**	**34.23**	**33.07**	**4.75**	**1,670.83**	**462.62**	**97.47**

(i) Property, Plant and Equipment pledged as security

Refer to note 38 on Property, Plant and Equipment and Capital Work-in-progress pledged as security by the Group.

(ii) Capital Commitments

Refer to note 28 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

(iii) Capital work-in-Progress ageing Schedule for the year ended 31st March, 2024 and 31st March, 2023

Capital Work-in-Progress	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3Year	Total
31st March 2024					
Projects temporarily suspended	-	-	-	462.62	462.62
31st March 2023					
Projects temporarily suspended	-	-	-	462.62	462.62

The Projects are under dispute, hence temporarily suspended for completion.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 4: Investment Property [Leasehold Land]

Particulars	31st March, 2024	31st March, 2023
Gross Block		
Opening Block	-	397.42
Disposals / Adjustments (refer note 52)	-	(397.42)
Closing Gross Block	**-**	**-**
Accumulated Depreciation		
Opening Balance	-	42.00
Disposals / Adjustments (refer note 52)	-	(42.00)
Net Block	**-**	**-**

Note 5: Other Intangible Assets

Particulars	Designs and Drawings	Computer Software *	Total	Goodwill on Consolidation
1st April, 2023				
Gross Block				
Opening Gross Carrying Amount	**-**	**78.03**	**78.03**	**-**
Additions	-	10.50	10.50	-
Closing Gross Block	**-**	**88.53**	**88.53**	**-**
Accumulated Amortisation				
Opening Accumulated Amortisation	-	21.49	21.49	-
Amortisation for the year	-	4.84	4.84	-
Closing Accumulated Amortisation	-	26.33	26.33	-
Closing Net Block as at 31st March, 2024	**-**	**62.20**	**62.20**	**-**
1st April, 2022				
Gross Block				
Opening Gross Carrying Amount	320.56	102.66	423.22	1,162.64
Additions	-	10.50	10.50	-
Adjustments (refer note 52)	(320.56)	(35.13)	(355.69)	(1,162.64)
Closing Gross Block	**-**	**78.03**	**78.03**	**-**
Accumulated Amortisation				
Opening Accumulated Amortisation	320.56	49.51	370.07	-
Amortisation for the year	-	3.37	3.37	-
Adjustments (refer note 52)	(320.56)	(31.39)	(351.95)	-
Closing Accumulated Amortisation	-	21.49	21.49	-
Closing Net Block as at 31st March, 2023	**-**	**56.54**	**56.54**	**-**

* Computer software consists of other than internally generated intangible asset.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 6: Non-Current Investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investments in Equity Instruments (fully paid-up)		
Equity Instruments carried at Fair Value Through Profit or Loss		
Quoted		
10,960 (31st March, 2023 : 10,960) Equity Shares of Rs. 5/- each of Eveready Industries India Limited	36.63	31.66
10,960 (31st March, 2023 : 10,960) Equity Shares of Rs. 5/- each of McLeod Russel India Limited	2.62	1.86
Total (Equity Instruments)	**39.25**	**33.52**
Investment in Mutual Funds carried at fair value through profit or loss		
Unquoted		
362,970.078 (31st March, 2023 : 362,970.078) units of L&T Short Term Opportunities Growth Fund	86.90	81.33
Total (Mutual Funds)	**86.90**	**81.33**
Total	**126.15**	**114.85**
Total Non-current Investments	**126.15**	**114.85**
Aggregate amount of quoted investments and market value thereof	39.25	33.52
Aggregate amount of unquoted investments	86.90	81.33

(i) Investments pledged as security

Refer note 38 for Investments pledged as security by the group.

Note 7(a): Trade Receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Trade Receivables - Considered good	94,774.73	95,933.07
Trade Receivables - Credit impaired	23,510.27	23,505.19
	1,18,285.00	1,19,438.26
Less: Allowance for Doubtful Receivables and Expected Credit loss	44,043.84	44,144.53
Total Trade Receivables	**74,241.16**	**75,293.73**
Current	74,241.16	75,293.73

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Trade Receivables Ageing Schedule as at 31.03.2024

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables - Considered Good		3,710.82	953.72	3,606.96	1,791.78	43,618.32	53,681.60
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	-	-	-	-	23,510.27	23,510.27
Disputed Receivables - Considered Good	-	10.52	7.27	67.61	25.44	40,982.29	41,093.13
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	-	-
Total Receivables	**-**	**3,688.99**	**959.00**	**3,674.57**	**1,817.22**	**1,08,102.89**	**1,18,285.00**
Less: Allowance for Doubtful trade receivables (including ECL)							44,043.84
Net Total Receivables							**74,241.16**

Trade Receivables Ageing Schedule as at 31.03.2023

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables - Considered Good	1,257.72	3,579.86	3,005.00	2,204.67	3,581.17	41,035.40	54,663.82
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	-	-	-	-	23,505.19	23,505.19
Disputed Receivables - Considered Good	-	66.46	1.15	25.52	47.46	41,128.66	41,269.25
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	-	-
Total Receivables	**1,257.72**	**3,646.32**	**3,006.15**	**2,230.19**	**3,628.63**	**1,05,669.25**	**1,19,438.26**
Less: Allowance for Doubtful trade receivables (including ECL)							44,144.53
Net Total Receivables							**75,293.73**

Note 7(b): Cash and Cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks		
- in Current Accounts*	982.84	2,006.48
- in Cash Credit Accounts*	6.15	6.15
Cash on hand (As certified by the Management)	0.84	1.11
Bank deposits with maturity less than 3 months	753.90	998.36
Total Cash and Cash Equivalents	**1,743.73**	**3,012.10**
Other Bank Balances		
Deposits with bank*	325.16	11.37
Total other bank balances	**325.16**	**11.37**

* The above figures are subject to balance confirmation

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 7(c): Loans (Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unsecured		
Loan to others considered good (Refer Note 39)	1,816.01	1,828.12
Total Loans	**1,816.01**	**1,828.12**

Note 7(d): Other Financial Assets

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Non-current	Current	Non-current	Current
Earmarked Balances with bank (Refer Note (i) below)	12.14	0.62	5.04	-
Security Deposits *	-	1,545.57	-	1,272.89
Deposit with Joint Venture	-	4,149.09	-	4,149.09
Advance to Employees	-	0.11	-	0.40
Due from customers (Net) (Refer note 34)	-	947.44	-	1,366.86
Claims Recoverable (Refer note 46)	-	21,454.57	-	27,514.52
Other Receivables	15.46	34.97	15.46	17.38
Total Other Financial Assets	**27.60**	**28,132.37**	**20.50**	**34,321.14**

(i) Earmarked balances with bank represent balances held for margin money against issue of bank guarantees.

* It includes Rs 552 Lakhs deposit as per direction of High court order against arbitration case.

Note 8: Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Assets on account of:		
Tax losses	51,540.39	51,540.39
Depreciation of Property, Plant and Equipment	166.21	166.21
Total Deferred Tax Assets	**51,706.60**	**51,706.60**

The Group had recognised Deferred Tax Assets amounting to Rs 51,706.60 Lakhs upto 31st March, 2018. The Group believes that after the implementation of Approved Resolution Plan by the Hon'ble National Company Law Tribunal, Kolkata, there will be adequate future taxable profits available to it against which the Deferred Tax Assets can be utilised.

Note 9: Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw Materials *	37.12	74.68
Total Inventories	**37.12**	**74.68**

*During the year, the Holding Company has written down the value of inventory by Rs. 29.27 Lakhs (31st March 2023: 44.29 Lakhs) towards slow moving, non moving and obsolete inventory.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 10(a): Current Tax Assets (net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Income Tax	227.46	234.73
(net of provisions Rs. 393.17 Lakhs, Previous Year Rs. 393.24 Lakhs)		
Total Current Tax Assets (net)	**227.46**	**234.73**

Note 10(b): Other Current Assets (Unsecured, considered good)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance to suppliers & others *	24,044.28	25,257.38
Balance with statutory/government authorities **	15,290.01	15,356.24
Prepaid Expenses	238.65	232.58
Total Other Current Assets	**39,572.94**	**40,846.20**

* Balances shown are subject to confirmation and reconciliation with respective parties (Refer note 46)

** It includes GST Input Tax Credit Rs. 130.14 Lakhs blocked by department in earlier years.

Note 11: Equity Share Capital and Other Equity

Note 11(a): Equity Share Capital

Particulars	Equity Shares		Compulsorily Convertible Preference Shares(CCPS)	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
As at 31st March, 2022	24,00,00,000	24,000.00	14,00,00,000	14,000.00
As at 31st March, 2023	24,00,00,000	24,000.00	14,00,00,000	14,000.00
As at 31st March, 2024	**24,00,00,000**	**24,000.00**	**14,00,00,000**	**14,000.00**
Issued, Subscribed and Paid up:				
(i) Movements in Share Capital				
As at 31st March, 2022	21,15,70,757	21,157.08	-	-
As at 31st March, 2023	21,15,70,757	21,157.08	-	-
As at 31st March, 2024	**21,15,70,757**	**21,157.08**	-	-

i) Terms and Rights attached to Equity Shares:

Each Equity Share has a par value of Rs 10/-. It entitles the holder to receive dividends, and to a share upon liquidation of the company in proportion to the number of shares held and amounts paid thereon.Every holder of Equity Shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Terms and Rights attached to Compulsorily Convertible Preference Shares(CCPS):

Each CCPS is compulsorily convertible into one Equity Share at any time within 18 months from the date of allotment. CCPS shall have priority with respect to payment of dividend or repayment of capital over equity shares of the Company.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

The holders of CCPS would not participate in the surplus assets and profits on winding up which may remain after the entire capital has been repaid.

Each CCPS would carry a dividend of 1% which would be non cumulative.

ii) Details of shareholders holding more than 5% of the aggregate Equity Shares in the Company:

Name of the Shareholder	31st March, 2024		31st March, 2023	
	Number of shares	% holding	Number of shares	% holding
Williamson Magor & Co Limited	2,23,18,952	10.55	2,23,18,952	10.55
Williamson Financial Services Limited	1,92,14,753	9.08	1,92,14,753	9.08
Babcock Borsig Limited	1,36,64,636	6.46	1,36,64,636	6.46
Sahal Business Private Limited	1,74,47,637	8.25	1,74,47,637	8.25
IL&FS Financial Services Limited	1,61,29,000	7.62	1,61,29,000	7.62
Aditya Birla Finance Limited	1,12,90,000	5.34	1,12,90,000	5.34

Shares held by promoters at the end of the year

Promoter Name	31st March, 2024		31st March, 2023		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Williamson Magor & Co Limited	2,23,18,952	10.55	2,23,18,952	10.55	-
Williamson Financial Services Limited	1,92,14,753	9.08	1,92,14,753	9.08	-
Babcock Borsig Limited	1,36,64,636	6.46	1,36,64,636	6.46	-
EMC Limited	1,01,37,689	4.79	1,01,37,689	4.79	-
Mcleod Russel India Limited	30,52,295	1.44	30,52,295	1.44	-
Kilburn Engineering Limited	8,54,300	0.40	8,54,300	0.40	-
Bishnauth Investments Limited	99,400	0.05	99,400	0.05	-
Isha Khaitan	24,000	0.01	24,000	0.01	-
Amritanshu Khaitan	8,000	0.00	8,000	0.00	-
B M Khaitan*	21	0.00	21	0.00	-
Total	**6,93,74,046**		**6,93,74,046**		

* Shareholder expired on 1st june 2019 but the Holding Company has not received transmission request yet.

Note 11(b): Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
General Reserve	1,549.64	1,549.64
Retained Earnings	(5,56,205.13)	(4,67,962.87)
Securities Premium	1,12,869.05	1,12,869.05
Capital Reserve	-	-
Capital Redemption Reserve	101.00	101.00
Foreign Currency Translation Reserve	(205.73)	(192.48)
Other Reserves	-	-
Total Reserves and Surplus	**(4,41,891.17)**	**(3,53,635.66)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(i) General Reserve

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	1,549.64	1,766.63
Change in Controlling Interest (refer note 52)	-	(216.99)
Closing balance	**1,549.64**	**1,549.64**

Nature and purpose:

The reserve is a part of Retained Earnings. This reserve can be utilised in accordance with the provisions of the Act.

(ii) Retained Earnings

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	(4,67,962.87)	(2,37,147.21)
Net profit /(loss) for the year	(88,319.67)	(2,27,060.38)
Items of OCI directly transferred to retained earnings	77.41	(17.06)
Adjustment for change in ownership interest (refer note 52)	-	(3,738.22)
Closing balance	**(5,56,205.13)**	**(4,67,962.87)**

Nature and purpose:

This reserve represents the cumulative profits of the company. This reserve can be utilised in accordance with the provisions of the Act.

(iii) Securities Premium

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	1,12,869.05	1,12,869.05
Closing balance	**1,12,869.05**	**1,12,869.05**

Nature and purpose:

Securities Premium has arisen on issue of Shares. The Reserve can be utilised in accordance with the provisions of the Act.

(iv) Capital Reserve

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	-	344.28
Change in Controlling Interest (refer note 52)	-	(344.28)
Closing balance	-	-

Nature and purpose:

Represents the amount transferred from the transferor company pursuant to Scheme of Amalgamation.

(v) Capital Redemption Reserve

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	101.00	101.00
Closing balance	**101.00**	**101.00**

Nature and purpose:

Capital Redemption Reserve is a non distributable reserve. The reserve can be utilised in accordance with the provisions of the Act, 2013.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(vi) Foreign Currency Translation Reserve

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	(192.48)	(202.99)
Effects of exchange rate changes on Consolidation	(13.25)	10.51
Closing balance	**(205.73)**	**(192.48)**

Nature and purpose:

Represents reserve created on account of consolidation of foreign subsidiary.

(vii) Other Reserves

Particulars	As at 31st March, 2024	As at 31st March, 2023
As per last Financial Statement	-	83,804.27
Reversal of Fair value gain on Financial Liabilities	-	(83,804.27)
Closing balance	-	-

Nature and purpose:

In earlier years, the Company had recognised fair valuation gain of Rs. 83,804.25 Lakhs on account of deferred repayment of Inter Corporate Deposit from Seajuli Developers & Finance Limited ("SDFL") and Woodside Parks Limited ("WPL"). Under CIRP, both the companies have submitted their financial claims to RP. RP has admitted such claims and as such the Company has reversed its fair valuation gain.

Note 12: Financial Liabilities

Note 12(a): Non-current Borrowings

Particulars	Coupon/ Interest rate	As at 31st March, 2024	As at 31st March, 2023
Secured			
Foreign currency loan - from banks (Refer Note B below)	6 month LIBOR+4.15%	552.39	544.54
From Others			
9,75,000, 11.50% Non-Convertible Redeemable Cumulative Preference Shares (Refer Note A below)	11.50%	5,451.43	5,451.43
Unsecured			
From Others		115.00	115.00
Total Non-current Borrowings		**6,118.82**	**6,110.97**
Less: Liability for Redeemable Preference Shares (included in note 12(e))		5,451.43	5,451.43
Less: Reclassified to Current Borrowings (included in note 12(b))		552.39	544.54
Non-current Borrowings		**115.00**	**115.00**

A. 11.50% Non-Convertible Redeemable Cumulative Preference Shares

(i) Non-Convertible Redeemable Cumulative Preference Shares were redeemable by the Holding Company in 8 equal quarterly instalments commencing from 5th June, 2018 and the last installment payable was on 5th March, 2020 which has been on default as on the date of approval of these Consolidated Financial Statements.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

B. External Commercial Borrowing from ICICI Bank Limited

(ii) Terms of repayment:

Loan having a balance outstanding of USD 6.60 lakhs, the last instalment date whereof was due on 23rd December, 2018 has been defaulted by the Holding Company as on the date of approval of these Consolidated Financial Statements.

(iii) Security details

Refer Note 38 for details of assets charged as security against these borrowings.

Details of loan	Nature of Security
External Commercial Borrowings from ICICI Bank Limited	First Charge by way of hypothecation on moveable assets / equipments both present and future with minimum asset cover of 1.25 times on outstanding ECB facility.

The amount of interest expense provided in the books of account on External Commercial Borrowing from ICICI Bank Limited by the Holding Company for the year ended 31st March, 2024 and for the year ended 31st March, 2023 are NIL.

Details of default by the Holding Company in respect of Borrowings included in Other financial Liabilities are as under:

Name of the Shareholder/Lender	Amount of Default	Remarks
Various Preference Shareholders	5,899.93	Amount of default persisting as on the date of approval of these Consolidated Financial Statements

Note 12(b): Current Borrowings

Particulars	Coupon/ Interest rate	As at 31st March, 2024	As at 31st March, 2023
Loans repayable on demand			
Secured			
From banks (Refer Note(i))			
Cash credit from banks	12.05% to 18.75%	1,85,873.22	1,85,617.09
Working capital demand loans from banks	12.5% to 13.50%	16,076.31	16,076.31
Current maturities of long term debt		552.39	544.54
Unsecured			
Inter Corporate Deposit (Refer Note 45)	15% to 18%	1,08,028.94	1,08,086.58
Total Current Borrowings		**3,10,530.86**	**3,10,324.52**

(i) Details of loans	Nature of Security
Cash Credit facility from consortium of banks and Working capital demand loans from banks.	A first pari passu charge by way of hypothecation of the current assets viz., stocks of raw materials, semi-finished goods, finished goods, stores and spares, bills receivables including receivables from hire purchase/leasing, book debts and other movable assets, both present and future. Charge on fixed assets on subservient basis except ICICI to the extent of term loan.The Working Capital Demand Loans have been guaranteed by one of the directors to the tune of Rs. 10,000 Lakhs. Equity Shares of MBE Coal & Mineral Technologies India Private limited are pledged for working capital Demand loans.*

*MBE Coal & Mineral Technologies India Private Limited was admitted to NCLT vide order dated 12th September 2023

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(ii) Details of default in respect of Current Borrowings of the Holding Company are as follow:

Name of the lender	Amount of Default	Remarks
	Principal	
Allahabad Bank - Cash Credit	8,358.77	Amount of default persisting as on the date of approval of these Consolidated Financial Statements
Axis Bank Limited - Cash Credit	21,788.79	
Bank of Baroda - Cash Credit	4,102.18	
Bank of India - Cash Credit	45,494.21	
Canara Bank - Cash Credit	2,346.57	
DCB Bank- Cash Credit	280.57	
ICICI Bank - Cash Credit	18,031.84	
IDBI Bank - Cash Credit	17,552.96	
Karur Vysya Bank - Cash Credit	8,427.14	
Lakshmi Vilas Bank - Cash Credit	94.73	
Punjab National Bank - Cash Credit	16,060.33	
Standard Chartered Bank- Cash Credit	2,571.24	
State Bank Of India - Cash Credit	25,001.29	
UCO Bank - Cash Credit	567.80	
Union Bank - Cash Credit	15,194.78	
Cash Credit Total Default	**1,85,873.22**	
Axis Bank Limited - Working Capital Demand Loan	12,660.41	
Standard Chartered Bank- Working Capital Demand Loan	3,415.90	
Working Capital Demand Loan Total Default	16,076.31	
ICICI Bank - ECB Loan*	**552.39**	
Inter-Corporate Borrowings Total Default	**1,08,028.94**	

*Including Exchange Fluctuation during the year of Rs. 7.85 Lakhs.

Note 12(c): Lease Obligation

Particulars	As at 31st March , 2024		As at 31st March , 2023	
	Non Current	Current	Non Current	Current
Lease Obligation	38.76	-	87.60	24.22
Total Lease Obligation	**38.76**	**-**	**87.60**	**24.22**

Note 12(d): Trade Payables

Particulars	As at 31st March , 2024	As at 31st March , 2023
Trade Payables due to Micro, Small and Medium enterprises (Refer note 31)	187.12	184.22
Trade Payables other than Micro, Small and Medium enterprises	22,436.37	22,893.20
Total Trade Payables	**22,623.49**	**23,077.42**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Trade payables Ageing Schedule as at 31.03.2024

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	4.08	10.64	11.66	126.87	153.25
Others	-	2,705.44	1,261.20	1,762.45	15,845.89	21,574.98
Disputed Dues - MSME	-	-	-	3.53	30.34	33.87
Disputed Dues - Others	-	2.71	-	1.12	857.56	861.39

Trade payables Ageing Schedule as at 31.03.2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	11.86	11.66	3.40	123.48	150.39
Others	-	4,424.01	1,762.45	2,054.84	13,791.05	22,032.35
Disputed Dues - MSME	-	-	3.53	1.92	28.37	33.83
Disputed Dues - Others	-	-	3.25	13.17	844.43	860.85

Note 12(e): Other financial liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued on borrowings and others (Refer Note 45)	2,64,903.77	1,91,569.18
Liabililty for Redeemable Preference Shares	5,451.43	5,451.43
Employee Benefits Payable	746.07	660.86
Security Deposits	90.29	90.29
Dividend Accrued on Preference Shares	448.50	448.50
Others	10,890.55	4,892.34
Total Other Current Financial Liabilities	**2,82,530.61**	**2,03,112.60**

Note 13: Other liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from customers		
- From Related Party	1,518.59	1,534.24
- From Others	2,417.45	2,918.20
Statutory Tax Payables	410.26	483.47
Dividend Distribution Tax on preference dividend	91.76	91.76
Benevolent fund	104.04	109.04
Others	0.40	0.50
Total Other Liabilities	**4,542.50**	**5,137.21**
Current	4,542.50	5,137.21

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 14: Provisions

Particulars	As at 31st March , 2024		As at 31st March , 2023	
	Non-current	Current	Non-current	Current
Provisions				
-Decommissioning obligations	-	75.30	-	75.30
-Gratuity	26.81	4.47	26.10	5.55
-Others	172.37	7.95	232.96	11.46
Total Provisions	**199.18**	**87.72**	**259.06**	**92.32**

(i) Movements in provisions

Movements in decommissioning obligation during the financial year, are set out below:

Particulars	Warranty	Anticipated loss on contracts	Decommissioning Obligations
As at 1st April, 2023	**-**	**-**	**75.30**
Charged/(credited) to Consolidated Statement of Profit and Loss			
- additions/Adjustment	-	-	-
As at 31st March, 2024	**-**	**-**	**75.30**
As at 1st April, 2022	**68.00**	**145.10**	**75.30**
Charged/(credited) to Consolidated Statement of Profit and Loss			
- additions/Adjustment	(68.00)	(145.10)	-
As at 31st March, 2023	**-**	**-**	**75.30**

(ii) Leave Obligations

In the Group, at present, there is no accumulation of leaves which is encashable in future years.

(iii) Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024 (All amounts are in ₹ Lakhs, unless otherwise stated)

The amounts recognised in the Consolidated Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2023	**302.76**	**271.11**	**31.65**
Current service cost	18.08	-	18.08
Interest expense/(income)	22.40	15.80	6.60
Total amount recognised in Profit and Loss	**40.48**	**15.80**	**24.68**
Remeasurements			
- Return on plan assets	-	1.82	(1.82)
- Due to financial assumptions	11.61	-	11.61
- Due to experience adjustments	(5.06)	-	(5.06)
Total amount recognised in Other Comprehensive Income	**6.55**	**1.82**	**4.73**
Employer contributions	-	29.77	(29.77)
Benefit payments	(144.93)	(144.93)	-
31st March , 2024	**204.85**	**173.57**	**31.28**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2022	**895.54**	**549.32**	**346.22**
Current service cost	24.69	-	24.69
Interest expense/(income)	23.49	20.05	3.44
Total amount recognised in Profit and Loss	**48.18**	**20.05**	**28.13**
Remeasurements			
- Return on plan assets	-	(10.94)	10.94
- Due to financial assumptions	(4.85)	-	(4.85)
- Due to experience adjustments	2.95	-	2.95
Total amount recognised in Other Comprehensive Income	**(1.90)**	**(10.94)**	**9.04**
Employer contributions	-	33.54	(33.54)
Benefit payments	(74.32)	(74.32)	-
Other Adjustments	(564.74)	(246.54)	(318.20)
31st March, 2023	**302.76**	**271.11**	**31.65**

The net liability disclosed above relates to funded plan.

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Present value of funded obligations	204.85	302.76
Fair value of plan assets	173.57	271.11
Deficit of funded plans	31.28	31.65

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

The significant actuarial assumptions used were as follows:

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Discount rate	7.10%	7.40%
Salary escalation	4.00%	4.00%
Expected return on plan assets	7.10%	7.40%
Withdrawal rate	1.00-8.00%	1.00-8.00%
Mortality rate	In accordance with standard table Indian Assured Lives Mortality (2012-14) ultimate.	

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is:

Assumption	Increase/ (decrease)	Assumption Rate	Amount of change in defined benefit obligations as at 31st March , 2024
Base scenerio	-	-	204.85
Salary Escalation	Increase by	1%	210.83
Salary Escalation	Decrease by	1%	186.43
Withdrawal Rate	Increase by	1%	200.08
Withdrawal Rate	Decrease by	1%	195.83
Discount Rate	Increase by	1%	186.85
Discount Rate	Decrease by	1%	210.57
Mortality Rate	Increase by	1%	197.83
Mortality Rate	Decrease by	1%	197.39

The above sensitivity analyses are based on reasonably possible changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The plan liabilities are calculated using a discount rate set with reference to government bonds. If the plan assets underperform this yield, this will create a deficit. The plan asset investments is with the Life Insurance Corporation of India which administers the fund. The investments are expected to earn a return in excess of the discount rate and reduce plan deficit.

The maturity profile of gratuity liability is as follows:

Year	As at 31st March, 2024	As at 31st March, 2023
2023-24	NA	53.10
2024-25	29.25	28.22
2025-26	20.60	30.69
2026-27	15.07	30.79
2027-28	15.84	52.40
Thereafter	124.10	107.56

The weighted average duration of the defined benefit obligation is 4.13 years (31st March, 2023 - 4.67 years).

The contribution expected to the fund by the Group during the year 2024-25 would be Rs. 29.78 Lakhs.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(iv) Provident Fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments compared to the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases, the actual return earned by the company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India and based on the assumptions provided below, there is no shortfall as at 31st March , 2024 and 31st March , 2023

In accordance with actuarial valuation done for interest rate guarantee, the fund has sufficient assets against the defined benefit liability and hence no further liability arises for interest rate guarantee.

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of interest rate guarantee under the Deterministic approach:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	6.97%	7.49%
Guaranteed interest rate	8.25%	8.15%

The Group contributed Rs.81.49 lakhs and Rs. 99.50 lakhs during the year ended 31st March , 2024 and 31st March 31, 2023, respectively, and the same has been recognised in the Consolidated Statement of Profit and Loss under the head employee benefit expenses.

Risks arising from defined benefit obligations

The defined benefit obligation plans typically expose the group to actuarial risks i.e. investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.
Longevity risk:	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

Note 15: Revenue from Operations

The Group derives the following types of revenue:

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2024
Contract Revenue and Sale of Equipment	16,597.38	37,114.67
Sale of Services	197.85	761.57
Other Operating Revenue	16.03	202.36
Total Revenue from Operations	**16,811.26**	**38,078.60**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 16: Other Income

(a) Other Income

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Interest Income from Financial Assets measured at amortised cost	3,984.96	3,934.32
Interest Income	247.54	109.49
Interest on Income tax Refund	0.30	-
Provision/Liabilities no longer required written back	1.33	127.08
Provision for Warranty written back	-	5.82
Net Foreign Exchange Gain	-	19.00
Corporate Guarantee Commission	147.35	147.35
Miscellaneous Income	347.07	40.60
Duty Drawback Income	-	1.00
Total	**4,728.55**	**4,384.66**

(b) Other Gains/(Losses)

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Net gain/(loss) on financial assets (investments) measured at fair value through profit or loss	11.29	(2.98)
Total Other Gains/(Losses)	**11.29**	**(2.98)**
Total Other Income (a+b)	**4,739.84**	**4,381.68**

Note 17: Cost of Materials Consumed

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Raw Materials at the beginning of the year	2,046.46	2,241.20
Less: Adjustmets (refer note 52)	1,971.78	-
Net Raw Materials at the beginning of the year	74.68	2,241.20
Add: Purchases	86.04	9,081.32
Less: Raw Materials at the end of the year	37.12	2,046.46
Total Cost of Raw Materials Consumed	**123.60**	**9,276.06**
Add: Consumption of bought out components	**7,428.64**	**12,164.57**
Total Cost of Materials Consumed	**7,552.24**	**21,440.63**

Note 18: Changes in Inventories of Work-in-progress and Finished Goods

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Opening balance		
Work-in progress	-	2,812.00
Total Opening balance	**-**	**2,812.00**
Closing balance		
Work-in progress	-	-
Total Closing balance	-	-
Less: Adjustments (refer note 52)	-	2,895.00
Total Changes in Inventories of Work-in-progress and Finished Goods	**-**	**(83.00)**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 19: Employee Benefits Expense

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Salaries, Wages and Bonus	2,840.52	5,681.14
Contribution to Provident and Other Funds	109.70	332.10
Workmen and Staff Welfare Expenses	11.81	266.33
Total Employee Benefits Expense	**2,962.03**	**6,279.57**

Note 20: Finance Costs

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Interest and finance charges on financial liabilities not at fair value through profit or loss	73,400.83	1,87,538.98
Discounting on fair valuation of financial instruments on amortised cost	9,976.35	6,262.58
Other borrowing cost	-	62.16
Total Finance Costs	**83,377.18**	**1,93,863.72**

Note 21: Depreciation and Amortisation Expense

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Depreciation on Property, Plant and Equipment	316.06	1,001.49
Amortisation of Intangible Assets	4.84	3.37
Total Depreciation and Amortisation Expense	**320.90**	**1,004.87**

Note 22: Other Expenses

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Consumption of Stores and Spares	-	877.20
Fabrication and Other Charges	-	1,093.90
Power & Fuel	155.47	725.81
Rent	146.83	184.64
Repairs and Maintenance :		
Buildings	-	4.00
Plant and Machinery	0.99	49.31
Others	174.16	84.68
Legal & Professional Fees	258.67	363.59
Insurance	89.02	139.15
Commission Expenses	-	15.39
Director's Fees	-	1.20
Rates & Taxes	30.25	70.21
VAT/ CST written off	-	(1,312.00)
Cartage & Freight	18.41	230.42
Bank Charges	743.56	1,058.02
Travelling	495.76	641.92
Provision for Slow Moving Stock	29.27	44.29

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Provision for Expected Credit Loss on Trade Receivables and due from customers	(105.77)	14,193.46
Provision/Allowance for Doubtful Debts and Deposits	-	237.00
Provision for Future Foreseeable Losses in Construction Contracts	5,522.86	(533.78)
Advance and other receivable written off	-	279.00
Net Foreign Exchange Loss	13.15	141.99
Goodwill written off	-	1,162.64
Bad Debts Written Off	9.99	4,487.14
Claim Recoverable Written Off	-	841.35
Liquidated Damages Expenses	-	6,349.88
Payment to Auditors (Refer Note No. 22 (a))	48.85	65.90
Subscriptions and donations	-	127.00
CIRP Expenses (Refer Note No. 22 (b))	318.92	349.57
Miscellaneous Expenses	153.35	830.12
Total Other Expenses	**8,103.74**	**32,803.02**

Note 22(a): Details of payments to auditors

Particulars	As at 31st March, 2024	As at 31st March, 2023
Payment to auditors		
Audit fee	35.15	43.20
For Limited Review	12.00	21.00
For other services	1.70	1.70
Total payment to auditors	**48.85**	**65.90**

Note 22(b): Details of CIRP Expenses

Particulars	As at 31st March, 2024	As at 31st March, 2023
CIRP Expense		
Professional Fees	245.73	218.41
Interim Management Fees	-	6.68
Legal Fees	73.19	67.28
IBBI Fee	-	52.37
Miscellaneous Expenses	-	4.83
Total CIRP Expenses	**318.92**	**349.57**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 22(c): Exceptional Item

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
EIG {Refer Note (i) below}	-	(7,773.61)
Advance given {Refer Note (ii) below}	-	(70.15)
Extinguishment of Financial Creditors {Refer Note (iii) below}	-	6,324.00
Extinguishment of Operational Creditors {Refer Note (iii) below}	-	6,908.00
Payment made on account of Corporate Guarantee {Refer Note (iii) below}	-	(2,998.00)
Total	**-**	**2,390.24**

(i) The claim of EIG (Mauritius) Limited admitted by Resolution Professional as per Arbitration Award has been recognised in the books of accounts in the previous year.

(ii) McNally Sayaji Engineering Limited (MSEL), the erstwhile Subsidiary Company, was admitted to CIRP vide order dated 11.02.2021 and eventually the Resolution plan of the successful Resolution Applicant was approved by COC and thereafter by the Hon'ble National Company Law Tribunal, Kolkata Bench, Court-I vide its order dt. 24.02.2023. Hence, advance of Rs 70.15 Lakhs has been written off from the books of accounts as 'Exceptional Items' in the previous year.

(iii) Due to effects of implementation of Resolution Plan on the erstwhile Subsidiary Company (MSEL), all the liability on the date MSEL was admitted in NCLT was extinguished and consequently, the net gains of Rs. 10,234 Lakhs was recognized as exceptional item in the previous year.

Note 23: Income Tax Expense

This note provides an analysis of the Group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
(a) Income Tax Expense		
Current tax		
Current tax on profits for the year	2.33	2.69
Current tax - Earlier Years	-	(22.89)
Total Current Tax Expense	**2.33**	**(20.20)**
Deferred tax		
Decrease (increase) in deferred tax assets	-	6,233.89
Total Deferred Tax Expense/(Credit)	-	6,233.89
Income Tax Expense	**2.33**	**6,213.69**
- through Profit and Loss	2.33	6,213.69

The effective tax rate and the applicable tax rates for recognition of deferred tax income is same. The applicable tax rate is based on the enacted tax rates.

The Group has recognised deferred tax assets on carried forward tax losses. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plan and budget for the Group.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(b) Reconciliation of tax expenses and the accounting profit multiplied by applicable rate :-

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Profit/(Loss) before Income Tax Expense	(88,317.30)	(2,20,102.59)
Other Comprehensive Income	64.16	(22.96)
	(88,253.14)	**(2,20,125.55)**
Tax at the Indian tax rate of 26% (2022-23 — 26%)	2.33	(20.20)
Add : Change in carrying value in books	-	184.34
Add : Deferred Tax Asset created for Unabsorbed business loss	-	6,049.55
	-	**6,233.89**
Other Comprehensive Income		
Tax relating to item that will not be reclassified to Profit and Loss	-	-
Income Tax Expense	2.33	**6,213.69**

Note 24: Capital Management

Capital Management

The Group strives to manage its capital efficiently with a view to safeguard its ability to continue as a going concern and to bring returns to its shareholders and stakeholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day to day needs. The amount of capital in proportion to risk is considered for capital structure management in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future developments and growth of its business. For the purpose of Group's capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure in light of changes in the economic and regulatory environment and the requirments of the financial covenants. However, in view of certain factors, challenges and changes faced by the Group over past few years as explained in Note 43 to the Consolidated Financial Statements, networth of the Group has been fully eroded. The management expects that overall financial health of the Company would improve upon successful implementation of resolution plan as approved by the Hon'able National Company Law Tribunal.

Loan Covenants

Under the terms of the major borrowing facilities, the Group is required to comply with various financial covenants. The Group has been under financial stress due to external factors. EBITDA margins of the Group have not been sufficient to service interest/principal repayment even after infusion of funds by the promoters from time to time during the earlier years. The Group has not been able to comply with some of the covenants during the current as well as the previous years. The Holding Company has persisting default in repayment of loans and borrowings from Banks and other lenders.

Note 25: Risk Management

The Group's activities is exposed to credit risk, liquidity risk and market risk.

The Group's risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit Risk

Credit risk arises from Cash and Cash Equivalents, other bank balances, investments and other financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and due from customers.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(i) Credit Risk Management

The Group assigns the following credit ratings to each class of financial assets based on assumptions, inputs and factors specific to the class of financial assets.

VL1: High-quality assets, negligible credit risk

VL2: Quality assets, low credit risk

VL3: Standard assets, moderate credit risk

VL4: Substandard assets, relatively high credit risk

VL5: Low quality assets, very high credit risk

VL6: Doubtful assets, credit impaired

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

Financial Assets are written off when there is no reasonable expectations of recovery, such as debtor failing to engage in a repayment plan with the Group or where payer/borrower does not have financial capability to repay its debts. Where loans or receivables have been written off, the group continues to engage in enforcement activities to attempt to recover the receivable dues.

(ii) Provision for Expected Credit Losses

The Group provides for Expected Credit Loss of trade receivables, due from customers and other financial assets based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Wherever required, past trend is adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the historical data is based, and to remove effects of the conditions in the historical period that are not relevant to the future contractual cash flows.

Year ended 31st March, 2024

(a) Expected Credit loss for Loans & Investments, Expenses Recoverables and other Financial Assets

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	VL3	1,816.01	-	-	1,816.01
		Claims Recoverable	VL3	36,183.70	-	14,729.13	21,454.57

(b) Expected Credit Loss for Due from Customers, Trade Receivables and Claims Recoverable under simplified approach

Particulars		Internal credit rating	Due from customer	Trade Receivables
Gross Carrying amount	Loss allowance measured at life-time Expected Credit Losses	VL3	3,537.95	1,18,285.00
Expected Credit Losses (Loss allowance provision)			(2,590.51)	(44,043.84)
Carrying amount (net of impairment)			947.44	74,241.16

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Year ended 31st March, 2023

(a) Expected Credit Loss for Loans & Investments, Expenses Recoverables and other Financial Assets

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	VL3	1,828.12	-	-	1,828.12
		Claims Recoverable	VL3	36,252.08	-	8,737.56	27,514.52

During the year, the Holding Company has written off Rs. 841.35 Lakhs of claims recoverable.

(b) Expected Credit Loss for Trade Receivables and due from Customers under simplified approach

Particulars		Internal credit rating	Due from customer	Trade Receivables
Gross Carrying Amount	Loss allowance measured at life-time expected credit losses	VL3	4,432.90	1,19,438.26
Expected Credit Losses (Loss allowance provision)			3,066.04	44,144.53
Carrying Amount (net of impairment)			1,366.86	75,293.73

(iii) Reconciliation of loss allowance provisions- Security deposits/ Earnest Money Deposits

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance as on 31st March , 2022	-	-	2.00
Loss allowance as on 31st March, 2023	-	-	-
Loss allowance as on 31st March, 2024	-	-	-

(iv) Reconciliation of loss allowance provision - Trade receivables & due from customers under simplified approach

Particulars	Trade Receivables	Due from customers	Total Loss Allowance
Loss allowance as on 31st March, 2022	**34,841.58**	3,595.84	**38,437.42**
Changes in loss allowance	9,302.95	(529.80)	8,773.15
Loss allowance as on 31st March, 2023	**44,144.53**	**3,066.04**	**47,210.57**
Changes in loss allowance	(100.69)	(475.53)	(576.22)
Loss allowance as on 31st March, 2024	**44,043.84**	**2,590.51**	**46,634.34**

Significant Estimates and Judgements

Impairment of Financial Assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, industry practices existing market conditions and business environment as well as forward looking estimates at the end of each reporting period.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close net market positions. Due to the dynamic nature of the underlying businesses, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturity of Financial Liability

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual cash flows, balances due within 12 months and more than 12 months.

Contractual maturities of financial liabilities (31st March, 2024)	Carrying Value	Contractual Cash Flows	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Non Derivatives						
Borrowings	3,16,097.29	3,16,097.29	3,15,982.29	-	-	115.00
Interest Accrued	2,64,903.77	2,64,903.77	2,64,903.77	-	-	-
Trade Payables	22,623.49	22,623.49	22,623.49	-	-	-
Employee Benefits payable	746.07	746.07	746.07	-	-	-
Lease Liability	38.76	38.76	38.76	-		-
Security Deposits	90.29	90.29	90.29	-	-	-
Dividend Accrued on Preference Shares	448.50	448.50	448.50	-	-	-
Others	10,890.55	10,890.55	10,890.55	-	-	-
Total non derivative financial liabilities	**6,15,838.72**	**6,15,838.72**	**6,15,723.72**	**-**	**-**	**115.00**

Contractual maturities of financial liabilities (31st March, 2023)	Carrying Value	Contractual Cash Flows	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Non Derivatives						
Borrowings*	3,15,890.95	3,15,890.95	3,15,775.95	-	-	115.00
Interest Accrued	1,91,569.18	1,91,569.18	1,91,569.18	-	-	-
Trade Payables	23,077.42	23,077.42	23,077.42	-	-	-
Employee Benefits payable	660.86	660.86	660.86	-	-	-
Lease Liability	111.82	111.82	87.60	24.22	-	-
Security Deposits	90.29	90.29	90.29	-	-	-
Dividend Accrued on Preference Shares	448.50	448.50	448.50	-	-	-
Others	4,892.34	4,892.34	4,892.34	-	-	-
Total non derivative financial liabilities	**5,36,741.36**	**5,36,741.36**	**5,36,602.14**	**24.22**	**-**	**115.00**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(C) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the USD and EUR. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the group's functional currency (INR). The risk is measured through the expected foreign currency cash flows based on the Group's receipt and repayment schedule for recognised assets and liabilities denominated in a currency other than "INR". The objective of the hedging is to minimize the volatility of the INR cash flows of such recognised assets and liabilities.

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follow

Particulars	31st March, 2024			31st March, 2023		
	USD	EUR	ZAR	USD	EUR	ZAR
Financial Assets						
Trade Receivables	24.88	557.32	-	18.57	553.15	-
Loans	-	-	71.63	-	-	83.74
Other Receivables	5.58	-	-	4.16	-	-
Cash and Cash Equivalents	4.30	-	1.69	3.21	-	1.97
Net exposure to foreign currency risk (assets)	**34.76**	**557.32**	**73.32**	**25.94**	**553.15**	**85.71**
Financial Liabilities						
Foreign Currency Loan	552.39	-	-	544.54	-	-
Borrowings	-	-	341.28	-	-	398.96
Trade Payables	352.66	1,196.79	21.82	280.64	1,188.48	29.42
Other Payables	0.68	-	-	0.50	-	-
Net exposure to foreign currency risk (liabilities)	**905.73**	**1,196.79**	**363.10**	**825.68**	**1,188.48**	**428.39**

(b) Sensitivity:

Impact on Profit

Particulars	Increase/(Decrease) in profit before tax	
	31st March, 2024	31st March, 2023
USD sensitivity		
INR/USD -Increase by 5% (31st March, 2023-5%)*	(43.55)	(39.99)
INR/USD -Decrease by 5% (31st March, 2023-5%)*	43.55	39.99
EUR sensitivity		
INR/EUR-Increase by 5% (31st March, 2023-5%)*	(31.97)	(31.77)
INR/EUR-Decrease by 5% (31st March, 2023-5%)*	31.97	31.77
ZAR sensitivity		
INR/ZAR-Increase by 5% (31st March, 2023-5%)*	(14.49)	(17.13)
INR/ZAR-Decrease by 5% (31st March, 2023-5%)*	14.49	17.13

* Holding all other variables constant

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During the year ended 31st March, 2024 and 31st March, 2023, the group's borrowings at variable rate were mainly denominated in INR.

The Group's fixed rate borrowings are carried at amortised cost. These are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at end of reporting period are as follow:

Particulars	31st March, 2024	31st March, 2023
Variable rate borrowings	4,67,405.69	3,93,807.11
Fixed rate borrowings*	1,13,480.37	1,13,538.01
Total borrowings	**5,80,886.06**	**5,07,345.12**

The Group has not entered into interest rate swaps to hedge against fluctuating market interest rates.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/(Decrease) in profit after tax	
	31st March, 2024	31st March, 2023
Interest rates increase by 50 basis points (50 bps) *	(2,337.03)	(1,969.04)
Interest rates decrease by 50 basis points (50 bps) *	2,337.03	1,969.04

* Holding all other variables constant (Refer Note 45)

Note 26: Fair Value Measurements

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March, 2024 and 31st March, 2023.

Particulars	31st March, 2024			31st March, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
- Equity instruments	39.25	-	-	33.52	-	-
- Mutual funds	86.90	-	-	81.33	-	-
Trade Receivables	-	-	74,241.16	-	-	75,293.73
Loans	-	-	1,816.01	-	-	1,828.12
Cash and Cash Equivalents	-	-	1,743.73	-	-	3,012.10
Other Bank Balances	-	-	325.16	-	-	11.37
Security deposits	-	-	5,694.66	-	-	5,421.98
Advance to Employees	-	-	0.11	-	-	0.40
Due from customers	-	-	947.44	-	-	1,366.86
Deposits with bank	-	-	12.76	-	-	5.04
Claims Recoverable	-	-	21,454.57	-	-	27,514.52
Others	-	-	50.43	-	-	32.84
Total Financial Assets	**126.15**	**-**	**1,06,286.03**	**114.85**	**-**	**1,14,486.96**

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	31st March, 2024			31st March, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Liabilities						
Borrowings	-	-	3,16,097.29	-	-	3,15,890.95
Interest accrued	-	-	2,64,903.77	-	-	1,91,569.18
Trade payables	-	-	22,623.49	-	-	23,077.42
Employee Benefits payable	-	-	746.07	-	-	660.86
Lease Liability	-	-	38.76	-	-	111.82
Security deposits	-	-	90.29	-	-	90.29
Dividend Accrued on Preference Shares	-	-	448.50	-	-	448.50
Others	-	-	10,890.55	-	-	4,892.34
Total Financial Liabilities	**-**	**-**	**6,15,838.72**	**-**	**-**	**5,36,741.36**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

Financial Assets and Liabilities measured at fair value	Level 1	Level 2	Level 3	Total
At 31st March , 2024				
Financial Assets				
Financial instruments at FVTPL				
Listed Equity Investments	39.25	-	-	**39.25**
Mutual Funds	-	86.90	-	**86.90**
Total Financial Assets	**39.25**	**86.90**	-	**126.15**

Financial Assets and Liabilities measured at fair value	Level 1	Level 2	Level 3	Total
At 31st March , 2023				
Financial Assets				
Financial instruments at FVTPL				
Listed Equity Investments	33.52	-	-	**33.52**
Mutual Funds	-	81.33	-	**81.33**
Total Financial Assets	**33.52**	**81.33**	-	**114.85**

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observabe market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable."

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date

(iii) Fair value of the Financial Asset and Liabilities measured at Amortised Cost

The Management considers that the carrying amount of finanicial assets and liabilities recognised in the financial statements and carried at amortised cost approximates their fair value as on 31st March, 2024 and 31st March, 2023. Initial recognition of financial assets and liabilities are at fair value with subsequent measurement at amortised cost.

Note 27: Related Party Disclosures

As required by Ind AS 24, Related Party Disclosures are given below:

(a) Subsidiaries

(i) McNally Sayaji Engineering Limited (MSEL) (Up to 24th February, 2023)

(ii) McNally Bharat Equipments Limited (MBEL)

(iii) MBE Mineral Technologies Pte Limited

(iv) MBE Minerals Zambia Limited

(v) MBE Coal & Mineral Technology India Private Limited (wholly owned subsidiary of MSEL) (Up to 24th February, 2023)

(vi) McNally Bharat Engineering (SA) Proprietary Limited

(b) Joint Venture

(i) EMC MBE Contracting Company LLC

(ii) McNally- Trolex

(iii) McNally- AML

(iv) McNally- Trolex- Kilburn

(c) Post employment benefit plan of the Holding Company

(i) McNally Bharat Executive Staff Gratuity Fund

(ii) McNally Bharat Employees Provident Fund

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(d) Key Managerial Personnel

(i) Mr. Aditya Khaitan - Chairman

(ii) Mr. Srinivash Singh - Chief Executive Officer* (Resigned w.e.f. 30th October, 2023)

(iii) Mr. Brij Mohan Soni - Chief Financial Officer (Resigned w.e.f. 7th September, 2022)

(iv) Mr. Pradyuman Baidya - Chief Financial Officer (Appointed w.e.f 13th September, 2022)

(v) Mr. Rahul Banerjee - Company Secretary (Resigned w.e.f. 22nd October , 2021)

(vi) Mrs Indrani Roy- Company Secretary

(vii) Ms. Arundhati Dhar - Independent Director (Resigned w.e.f. 3rd August, 2022)

(viii) Mr. A.K Barman - Independent Director

(ix) Mr. Nilotpal Roy- Independent Director (Resigned w.e.f. 10th August, 2023)

(x) Ms. Kasturi Roychoudhury - Independent Director (Resigned w.e.f. 10th August, 2023)

(g) Relative of Key Managerial Personnel

(i) Saroj Kant Singh (Relative of Mr. Srinivash Singh - Chief Executive Officer) (Resigned w.e.f. 16th October, 2023)

The following transactions were carried out with Related Parties in the ordinary course of business:

Description	McNally- Trolex	McNally- AML	McNally- Trolex-Kilburn
Sale of Goods/fixed assets	2,076.65	2,550.43	2,001.49
	(4,200.78)	(4,622.98)	(3,564.75)
Reimbursement of Expenses Received	-	-	-
	(0.13)	(0.14)	(0.06)
Rent Received	-	-	-
	(3.00)	(2.73)	(2.73)

Balances Outstanding of Joint Ventures as at 31st March

Description	EMC MBE Contracting Co LLC	McNally- Trolex	McNally- AML	McNally- Trolex-Kilburn
Investment at the year end	152.31	-	-	-
	(152.31)	-	-	-
Provision for impairment in value of investments	152.31	-	-	-
	(152.31)	-	-	-
Outstanding Receivables*	67.06	1,143.40	1,025.52	692.21
	(67.06)	(802.72)	(760.36)	(468.34)
Advance received from Customer	-	462.08	753.38	303.14
	-	(462.08)	(769.02)	(303.14)
Allowance for doubtful receivables	67.06	-	-	-
	(67.06)	-	-	-
Security Deposit	-	625.97	2,749.16	773.96
	-	(625.97)	(2,749.16)	(773.96)

Bracket indicates Previous year figures.

* Outstanding Receivables also include receivables of rent from Joint Venture

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Transactions with Key Managerial Personnel	2023-24			2022-23		
	Remuneration	Sitting fees	Outstanding Balance payable as at year end	Remuneration	Sitting fees	Outstanding Balance payable as at year end
Mr. Srinivash Singh	127.72	-	-	219.96	-	-
Mr. Brij Mohan Soni	-	-	-	30.17	-	1.25
Mrs. Indrani Ray	38.21	-	-	40.00	-	-
Mr. Aditya Khaitan	-	-	-	-	-	0.30
Ms. Arundhati Dhar	-	-	-	-	0.40	0.98
Mr. A.K Barman	-	-	-	-	0.40	1.48
Mr. Nilotpal Roy	-	-	-	-	0.20	0.72
Ms. Kasturi Roy Choudhury	-	-	-	-	0.20	0.72
Mr. Pradyuman Baidya	36.30	-	-	36.11	-	-
Mr. Saroj Kant Singh (Relative to KMP)	15.25	-	-	29.30	-	-

Remuneration includes	2023-24		2022-23	
	Short term employee benefits	Post employment benefits	Short term employee benefits	Post employment benefits
Mr. Srinivash Singh	-	-	219.96	-
Mr. Brij Mohan Soni	-	-	29.11	1.06
Mr. Indrani Ray	-	-	38.21	1.79
Mr. Pradyuman Baidya	-	0.89	34.49	1.62
Mr. Saroj Kant Singh (Relative to KMP)	-	-	27.99	1.31

a) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the year towards Post employment benefits as the same are not separately ascertainable for individual directors.

b) Transactions with related parties mentioned above are as per terms and contracts approved by the board. All transactions disclosed above were made on normal commercial terms and conditions and wherever applicable linked with market rates .

Details of contribution to post employment benefit plans

Particulars	2023-24	2022-23
McNally Bharat Executive Staff Gratuity Fund	29.40	37.17
McNally Bharat Employees Provident Fund *	85.02	103.78

* Considered only Employer contribution.

Note 28: Capital Commitments

There is no capital commitment as at Balance sheet date.

Note 29: Leases

The Group has also leasing arrangements in respect of operating leases for premises (guest house, offices etc.). These leasing arrangements which are cancellable in nature are renewable by mutual consent and agreement. The aggregate of such lease rentals on account of short-term leases and low-value assets are charged as rent to the Consolidated Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Amount Recognized in the Consolidated Statement of Profit and Loss Account or Carrying Amount of Another Asset

Particulars	2023-24	2022-23
Net Carrying Amount of ROU Assets at the beginning the year	**97.47**	**339.45**
Depreciation recognized	64.98	122.55
Adjustments during the year (refer note 52)	-	(119.43)
Interest on lease liabilities	14.54	22.94
Expenses relating to short-term leases & of low-value assets	146.83	184.64
Total cash outflow for leases	87.60	87.60
Net Carrying Amount of ROU Assets at the end the year	**32.49**	**97.47**

Note 30:

MBE Minerals Technology Pte Ltd (MBEMT), a wholly owned subsidiary has sold its entire 99% stake in MBE EWB Kft to MBE CMT Gmbh, it's associate company, for Rs. 1,375.50 Lakhs (USD 2.1 million) on August 14, 2017 through sale agreement pursuant to which 75% of the consideration was to be received by December 31, 2017 and remaining 25% was to be received by March 31, 2018. MBEMT has not received any consideration by the specified dates, the settlement date for the consideration had been extended to September 30, 2018 vide an addendum to the agreement dated March 27, 2018. Due to non-receipt of such consideration, MBE Minerals Technology Pte Ltd (MBEMT) has been impaired during the financial year ended 31st March, 2019.

Note 31: Dues to Micro, Small and Medium Enterprises

The amount due to Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to Micro and Small Enterprises are as below:

Particulars	31st March, 2024	31st March, 2023
(i) Principal amount due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	187.12	184.22
(ii) Interest due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	43.63	254.33
(iii) Principal amounts paid to suppliers registered under the MSMED Act, 2006, beyond the appointed day during the year	160.51	143.91
(iv) Interest due & payable for principal already paid	-	-
(v) Total interest accured and remaining unpaid at the end of each accounting year	297.96	254.33
(vi) Amount of futher interest remaining due and payable even in the succeeding years	-	-

Note 32: Contingent Liabilities

a. The details of contingent liabilities are as under:

Particulars	31st March, 2024	31st March, 2023
Claims against the Group not acknowledged as debt*	46,859.99	46,859.99
Other money for which the Group is contingently liable:		
Indirect Tax matters relating to Excise Duty, Service Tax ,Central Sales Tax , Value added Tax and Goods and Service Tax	49,336.31	44,995.74
Income Tax matter pending	8,568.74	3,235.20
Corporate guarantees given	8,000.00	8,000.00
Bank Gurantees issued by company-Performance , Security and Earnest Money deposit	27,575.41	28,797.66
Liquidated damages relating to contract sales	Amount not readily ascertainable	

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

*In earlier years, the Holding Company had entered into a put option agreement with EIG(Mauritius) Limited, who invested in one of its subsidiary companies. In order to exercise the put option, the Investor submitted its request for Arbitration to the International Chamber of Commerce Court, Singapore. The Arbitrator issued a dissenting opinion requiring the Holding company to pay damages amounting to Rs 21,102.69 Lacs (including interest) and legal cost. Thereafter, Corporate Insolvency Resolution Process "CIRP" has been initiated against the Holding Company. Hence, EIG (Mauritus) Limited had filed its claim to IRP/RP on 17th May 2022 and accordingly the liability of Rs. 7,773.61 Lakhs along with interest of Rs. 888.94 Lakhs has been booked and remaining amount of Rs. 13,056.93 Lakhs has been considered as Contingent liability included in 'Claims against the company not acknowledged as debt'

In view of Holding Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance being under moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 till the conclusion of CIRP. Therefore, no impact has been considered in the Financial Statements as of now. (Refer Note 44)

Details of Corporate Guarantees given covered under Section 186(4) of the Companies Act, 2013:-

Particulars	31st March, 2024	31st March, 2023
MBE Coal & Mineral India Private Limited (Banking Facility)	3,000.00	3,000.00
McNally Sayaji Engineering Limited (ECB & Rupee Term Loan)	5,000.00	5,000.00
Total	**8,000.00**	**8,000.00**

b. Tata Capital Financial Services Limited (TCFSL), one of the Non-Convertible Redeemable Preference Shareholders of the Holding Company has preferred commercial arbitration petition during the year demanding redemption of Non-convertible Redeemable Preference Shares due to breach of various financial covenants therein for their outstanding balance of Rs. 2,831.63 Lakhs along with 100% liquidation damages which is disputed by the Company. The Arbitrator has issued interim directions to deposit an amount of Rs 2,831.63 Lakhs in Specifically designated Escrow Account or alternatively furnish an unconditional and irrevocable bank guarantee of such amount. The order also restrained an Injunction of any dealing of share of Mcnally Sayaji Engineering Limited which is pledged against the loan. Further, the Holding Company submitted an affidavit, the details of all its assets , properties (Movable or immovable) which are restrained for any dealing , transfer and disposal of assets. Further, TCFSL had filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the IBC") before the National Company Law Tribunal ("the NCLT'") to initiate Corporate Insolvency Resolution Process ("the CIRP") against the Holding Company. The NCLT has dismissed the application filed by the TCFSL not being a financial creditor as per the provisions of the IBC. Further, TCFSL had filed an application with ("the NCLAT). As per NCLAT order dated 17.08.2022, the appeal has dismissed as withdrawn granting liberty to raise any legally permissible contentions at appropriate stage.

c. The Director General of GST Intelligence (DGGI) Kolkata had conducted investigation in 2019-20 at the Corporate Office of the Holding Company and denied Input Tax Credit of Rs. 945.04 Lakhs and also denied Input tax Credit of Rs 200.00 Lakhs in 2020-21 availed by the Company. Pending adjudication of the matter, the Holding Company has included the Input Tax Credit in Note 10(b) under Balance with Statutory/Government authorities. During the year, the department has conducted audit for F.Y. 2017-18 and provided its observations thereon. Further proceedings in this matter has been kept in abeyance till the conclusion of CIRP as moratorium is applicable u/s 14 of the Insolvency and Bankruptcy Code, 2016 .

Future cash outflows in respect of the above matters are determinable only on receipts of judgments / decisions pending at various forums / authorities. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and result of operations.

Note 33: Excess Remuneration paid to Key Managerial Personnel of the Holding Company

On 13th December 2022, the term of the Managing Director of the Holding company had expired and the Holding company has not appointed the Managing Director or Manager in their place after the expiry of their term. Therefore, the Holding company had not paid or liable to pay any sum of remuneration to the KMP of the Holding company. However, as per section 197(17) Holding the company has no need to taking any approval from the lender and shareholders in the current year.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 34: Disclosure for Construction Contracts

The details as required in respect of Construction Contracts under Ind AS 115 in respect of the Holding Company are as under:

Particulars	31st March, 2024	31st March, 2023
Contract costs incurred	18,85,175.69	18,64,919.54
Add : Recognised profit net of recognised losses	(71,839.61)	(61,266.14)
Contract Revenues*	**18,13,336.09**	**18,03,653.40**
Progress Billing	17,08,518.76	16,97,996.50
Unbilled Revenue transferred	1,01,224.00	1,01,224.00
Unbilled Revenue	3,537.95	4,432.90
Due from Customers	3,537.95	4,432.90
Less: Allowance for doubtful amount	2,590.51	2,590.51
Less: Provision for future foreseeable losses	876.04	475.53
Net Due from Customers	71.40	1,366.86
Advance payments received	2,403.27	2,919.67
Retention amount	1,765.02	1,257.72
Provision for future foreseeable losses as on	876.04	475.53

Refer Note 25(A)(ii) for Loss Allowances on Trade Receivables

Sale of equipments and contract revenue in respect of construction contracts as reported in this account is in proportion to the actual costs incurred on such contracts to their estimated cost. Here costs represent actual costs incurred inclusive of future losses based on estimates of future costs of all on going projects made by the engineers of the Company and such estimates verified independently and certified by a Chartered Engineer. Unbilled revenue represents such contract sales values less actual billing done on the basis of costs incurred.

The Holding Company has made provision, as required under the Indian Accounting Standards, for material foreseeable losses on long term contracts.

The Holding Company has made revisions in the cost to complete certain projects during the year as part of their periodical review of cost estimates.

Note 35: Interest in Other Entities

(a) Interest in Subsidiaries

The group's subsidiaries as at 31st March , 2024 are set out below. Unless otherwise stated, they have share capital consisiting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

	Name of Entity	Place of business/ country of incorpora-tion	Ownership interest held by the group		Ownership interest held by Others	
			Year ended 31st March , 2024	Year ended 31st March , 2023	Year ended 31st March , 2023	Year ended 31st March, 2022
			%	%	%	%
i)	McNally Bharat Equipments Limited	India	99.40	99.40	0.60	18.44
ii)	MBE Minerals Zambia Limited	Zambia	100.00	100.00	-	0.60
iii)	MBE Mineral Technologies Pte Limited	Republic of Singapore	100.00	100.00	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

(b) Interest in Joint Venture

Set out below is the Joint Venture of the Group as at 31st March , 2024, which has share capital consisting solely of equity shares and are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The Financial Statements of the Joint Ventures of the Holding Company whose carrying value in the Financial Statements of the Holding Company is Rs. Nil (net of impairment) have not been considered in the Consolidated Financial Statements.

Name of entity		Place of business/ country of incorpora-tion	Proportion of Ownership		Carrying Amount	
			Year ended 31st March , 2024	Year ended 31st March , 2023	Year ended 31st March , 2024	Year ended 31st March, 2023
			%	%	₹ Lakhs	₹ Lakhs
i)	EMC MBE Contracting Co LLC	Oman	35.00%	35.00%	-	-
i)	MBE-AML (JV)	India	98.00%	98.00%	-	-
i)	MBE_Trolex (JV)	India	97.00%	97.00%	-	-
i)	MBE-Trolex-Kilburn (JV)	India	80.00%	80.00%	-	-

Note: Profit/Loss for the year of Joint Ventures which are not material have not been considered in the Financial Statements

Note 36: Earnings Per Share

	Year ended 31st March , 2024	Year ended 31st March , 2023
(a) Basic Earnings Per Share		
Profits/(Losses) attributable to the Equity Holders of the Group	(88,319.67)	(2,27,060.38)
Total Basic Earnings Per Share attributable to the equity holders of the Group	(41.74)	(107.32)
(b) Diluted Earnings Per Share		
Profits/(Losses) attributable to the equity holders of the Group	(88,319.67)	(2,27,060.38)
Total Diluted Earnings Per Share attributable to the Equity holders of the Group	(41.74)	(107.32)

(c) Weighted average numbers of shares used as denominator

Particulars	31st March, 2024 Number of shares	31st March, 2023 Number of shares
Weighted average number of equity shares and potentional equity shares used as the denominator in calculating basic earnings per share	21,15,70,757	21,15,70,757

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 37: Segment information

The Group is primarily engaged in a single business segment, viz. “Engineering, Procurement, and Construction” and predominantly operates in one Geographical segment. Hence, in the opinion of the Chief Operating decision maker as defined, 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”.

Disclosure required under Ind AS 108 “ Operating Segments” for Companies with single segment are as follows :

Particulars	Year ended 31st March , 2024	Year ended 31st March , 2023
Revenue from Customers		
- India	16,811.26	38,078.60
- Outside India	-	-
	16,811.26	**38,078.60**
Total Assets		
- India	1,99,268.78	2,09,086.68
- Outside India	665.40	664.80
	1,99,934.18	**2,09,751.48**

The Group has not earned any revenue from outside India during the Financial Years 2023 -24 and 2022-23.

Note 38: Assets pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings of Holding Company are:

Particulars	Notes	Year ended 31st March , 2024	Year ended 31st March , 2023
Current			
Financial Assets			
Trade Receivables	7(a)	74,203.90	75,237.37
Cash and Cash Equivalents (including other Bank Balances)	7(b)	2,032.15	2,959.60
Loans	7(c)	1,744.38	1,744.38
Other Financial Assets	7(d)	28,068.01	34,290.70
Non-Financial Assets			
Inventories	10	37.12	74.68
Other Current Assets	11(b)	39,567.02	40,844.45
Total Current Assets pledged as security		**1,45,652.58**	**1,55,151.18**
Non-current			
Investments	6	136.09	124.80
Property, Plant and Equipment	3	1,420.57	1,670.83
Capital work in progress	3	462.62	462.62
Other Financial Assets	7(d)	12.14	5.04
Total Non-currents assets pledged as Security		**2,031.42**	**2,263.29**
Total Assets pledged as Security		**1,47,684.00**	**1,57,414.47**

Note:

Current assets are pledged for working capital loans and cash credit facilities.

Non-current assets are pledged under first charge for ECB from ICICI Bank Limited and as second charge for working capital loans.

Investments in Mutual Funds relating to Rs. 86.90 Lakhs were put to lien for Loan taken from L&T Finance Limited. The given loan has been fully repaid in earlier year, however lien against the investment pledged has not been satisfied till date.

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 39: Details of Loans given covered under Section 186(4) of the Companies Act, 2013.

Particulars	31st March, 2024	31st March, 2023
Vedica Sanjeevani Projects Private Limited (ceased to be subsidiary w.e.f. 29.08.2018)*	1,744.38	1,744.38
Total	**1,744.38**	**1,744.38**

*The Holding Company has given moratorium for payment of interest and hence not recognised interest income on the loan for the year ended 31st March, 2023 on prudential basis.

Note 40:

The Holding Company had entered in September 2003 a joint venture agreement with Elsamex S.A. whereby officially it was appointed as a subcontractor in "West Bengal Corridor Development Project – Improvement of Gazole Hilli Section of SH 10 with a link to Balurghat from Patiram," (the project). However consequent to considerable delay in execution of the project the Public Works Department of Government of West Bengal (PWD) had unilaterally terminated the contract in January 2006. The Holding Company and Elsamex S.A. felt that such delay in execution was due to the inability of PWD to hand over the stretch of encumbrance free land for widening of road and non-availability of construction drawings on time by PWD. The Holding Company had a legitimate claim of Rs. 1,517 lakhs towards receivable and Rs. 1,133 lakhs on account of deposit against Performance Guarantee. Elsamex S.A. moved to arbitration and had claimed an amount of Rs. 7,334 lakhs including an additional claim on consequential losses as per guidelines of "Federation Internationale Des Ingenieurs-Conseils" (FIDIC). Arbitral Board in their meeting held on 25th October, 2010 has upheld Elsamex S A's claim and gave its award in their favour. Under the award, a total amount of Rs. 3,535 Lakhs is receivable by the Holding Company. A claim has already been lodged with PWD. PWD preferred to challenge the verdict of the Arbitrators and appealed to the High Court in January, 2011 for a stay in the matter of payment of award money. The matter is still pending for hearing.

Note 41:

Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by one of the Financial Creditors, being C.P (IB) No. 891/KB/2020, the National Company Law Tribunal (NCLT), Kolkata Bench, while disposing off, admitted the application vide order dated 29.04.2022 and directed to initiate Corporate Insolvency Resolution Process (CIRP) against the Holding Company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was initially appointed as the Interim Resolution Professional (IRP). Thereafter, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) was appointed as Resolution Professional (RP) vide NCLT order dt.26.08.22. Upon commencement of CIRP, the powers of the Board of Directors of the Holding Company were suspended and management of the Group vested with the IRP/Resolution Professional (RP). Committee of creditors (COC) of the Holding Company was constituted on 18.05.2022 on the basis of collation of all claims by the IRP and report was submitted to NCLT by IRP. The COC was further reconstituted from time to time by the IRP/RP (last such reconstitution on 29.12.2022) and intimation filed with the Hon'ble NCLT, Kolkata Bench.

The Resolution Plan of one of the Resolution Applicants 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 was submitted before the Hon'ble NCLT Court on 3rd August, 2023. The Hon'ble National Company Law Tribunal, Kolkata bench-Court-I (NCLT) approved the Resolution plan of the successful resolution applicant, namely M/s BTL EPC LTD vide its order dated 19.12.2023. and consequent thereto, the Resolution Professional of Company was discharged from his duties with effect from the date of NCLT order, save and except the duties envisaged in the resolution plan. A monitoring committee has been formed with five members- the Resolution Professional along with the two representatives of the Committee of Creditors and two representatives of the Resolution Applicant to manage the affairs of the Company from the appointed date till the effective date i.e. date of handover of Company to Resolution applicant. The Monitoring Committee shall endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern till the effective date yet to be identified by the Resolution Applicant. Accordingly, the financial result of the Group has been prepared on a going concern basis.

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(All amounts are in ₹ Lakhs, unless otherwise stated)

Note 42: Additional Information required by Schedule III to the Act

Name of the Entity in the Group	Net Assets (total assets minus liabilities)		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % Consolidated Net Assets	Amount (₹ Lakhs)	As a % Consolidated Profit or Loss	Amount (₹ Lakhs)	As a % Consolidated Other Comprehensive Income	Amount (₹ Lakhs)	As a % Consolidated Total Comprehensive Income	Amount (₹ Lakhs)
Holding Company								
McNally Bharat Engineering Company Limited								
31st March 2024	100.02%	(4,20,804.19)	100.01%	(88,326.28)	120.65%	77.41	-137541.93%	(88,248.87)
31st March 2023	100.02%	(3,32,555.33)	101.27%	(2,29,197.01)	-39.40%	9.04	101.26%	(2,29,187.97)
Subsidiaries (Group's Share)								
Mcnally Sayaji Engineering Limited (refer note 52)								
31st March 2024	-	-	-	-	-	-	-	-
31st March 2023	0.00%	-	-1.45%	3,290.95	113.69%	(26.10)	-1.44%	3,264.85
MBE Mineral Technologies Pte Ltd.								
31st March 2024	0.06%	(237.98)	0.00%	-	-96.99%	(62.23)	0.00%	(62.23)
31st March 2023	0.05%	(175.74)	0.00%	-	0.00%	-	0.00%	-
Mcnally Bharat Equipments Limited								
31st March 2024	-0.01%	22.56	-0.01%	6.61	0.00%	-	-0.01%	6.61
31st March 2023	0.00%	15.90	0.00%	8.32	0.00%	-	0.00%	8.32
MBE Minerals Zambia Limited								
31st March 2024	0.07%	(289.77)	0.00%	-	76.34%	48.98	0.00%	48.98
31st March 2023	0.10%	(338.75)	0.00%	-	0.00%	-	0.00%	-
Mcnally Bharat Engineering (SA) Proprietary Limited								
31st March 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-Controlling Interest								
31st March 2024	0.00%	0.15	0.00%	0.04	0.00%	-	0.00%	0.04
31st March 2023	0.00%	0.05	-0.33%	744.10	25.70%	(5.90)	-0.33%	738.20
Adjustment For Change In Ownership Interest								
31st March 2024	-0.14%	575.29	0.00%	-	0.00%	-	0.00%	-
31st March 2023	-0.17%	575.40	0.51%	(1,162.60)	0.00%	-	0.51%	(1,162.60)
Total								
31st March 2024	**100.00%**	**(4,20,733.94)**	**100.00%**	**(88,319.63)**	**100.00%**	**64.16**	**100.00%**	**(88,255.47)**
31st March 2023	**100.00%**	**(3,32,478.47)**	**100.00%**	**(2,26,316.28)**	**100.00%**	**(22.96)**	**100.00%**	**(2,26,339.23)**

Note 43:

Keeping in view the financial position of the Holding Company, the Group's ability to continue as a going concern is dependent upon many factors including continued support from the financial creditors, operational creditors, customers, and successful implementation of resolution plan respectively. In view of the opinion of the management, resolution and revival of the Holding Company is possible in the foreseeable future and the monitoring committee shall also endeavor to protect and preserve the value of the property of the corporate debtor and manage the operations of

Notes forming part of the Consolidated Financial Statements

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the corporate debtor as a going concern till the effective date yet to be identified by the resolution applicant. Accordingly, the financial statements of the Group have been prepared on going concern basis.

Note 44:

There shall be moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016 till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub section (1) of section 31 of the IBC or pass an order for liquidation of Corporate Debtors under section 33 of the IBC, as the case may be. The Holding Company had received regulatory Enquiries /Notices/ Summons /Show-Cause/Demand/ Orders from various government authorities such as Goods and Services Tax, Income Tax. In view of Holding Company's admission under CIRP all existing civil legal proceedings will be kept in abeyance as being under moratorium u/s 14 of the Insolvency and Bankruptcy Code, 2016 till the effective date of the NCLT order. Therefore, no impact has been considered in Consolidated Financial Statements as of now.

Note 45:

The Holding Company has been categorised as Non Performing Asset by the lender banks and majority of the lender banks have stopped debiting interest on their outstanding debts as per the Prudential Norms on Income Recognition issued by the Reserve Bank of India. Accordingly, the Holding Company has not recognised interest expense on Bank borrowings and Inter-Corporate Borrowings till 31st March, 2022. In the previous year, the holding company has recorded interest expense till 31st March, 2023 on bank borrowing and inter corporate deposits based on the claims filed with the RP and Memorandum Statements, if provided by the bank. For the remaining, the holding company has charged interest assuming 16% rate of interest compounded quarterly.

In the current financial year the Holding company has provisionally accounted for interest amounting to Rs. 73,333.91 Lakhs on the oustanding borrowings from under the head Finance Costs.

The operational creditors have also submitted claims to the IRP/RP amounting to Rs. 53,320.16 lakhs, out of which RP has provisionally admitted claims of Rs. 18,401.82 lakhs, as on 21.01.23 but reconciliation thereof with books is under process, which will be taken into records appropriately once reconciliation and settlement with creditors is complete.

Note 46:

Trade Receivables, Other Current Assets and Other Financial Assets are subject to confirmation and reconciliation from respective parties and consequential reconciliation, outcomes of pending arbitration/settlements of claims and adjustments arising therefrom, if any. The management, however, does not expect any material variation, Management is also hopeful for recovery/realisation of trade receivables which include Rs. 41,093.12 Lakhs under Arbitration/ Proposed Arbitration in the normal course of business, hence no impairment has been considered at this stage.

Note 47:

The Results of the incorporated joint ventures of the Holding Company i.e, EMC MBE Contracting Company LLC, including their carrying value in the financial statements of the Holding Company is Rs. Nil (net of impairment) and has not been considered in the Consolidated Financial Statements.

The joint ventures of the Holding Company i.e, McNally - Trolex (Holding Co.'s share 97%), McNally - AML (Holding Co.'s share 98%) and McNally - Trolex - Kilburn (Holding Co.'s share 80%) relating to Coal India projects are non - corporate entities and there is no equity capital investment. Considering the probable chance of recovery of loss upon completion of the contract, no provision towards incurred loss at this stage has been considered in the Consolidated Financial Statements.

Notes forming part of the Consolidated Financial Statements

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Note 48:

Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or is pending against it for holding any Benami property.

(ii) The Group does not have any transactions with Companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

(iii) The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) Borrowings from bank and financial institution has been classified as Non-Performing Assets. So, filing of quarterly statements are not required.

(vi) The Group does not have any charge or satisfaction of charge, which is yet to be filed with ROC beyond the statutory period.

(vii) The Group has not advanced or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intemediary shall:

(a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.

(viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that it shall:

(a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Group has no such transaction unrecorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961 such as , search or survey or any other relevant provision of the Income Tax Act, 1961.

Note 49:

As the powers of the Board of Directors of the Holding Company have been suspended, the financial statements have not been adopted by the Board of Directors. However, the same have been reviewed and signed by Chairman of the Monitoring Committee, Non-Executive director and KMPs of the Holding Company.

Note 50:

There are no significant subsequent events that would require adjustments or disclosure in the Consolidated Financial Statements as on the date of approval of these Consolidated Financial Statements.

Note 51:

The Holding Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same were operating throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level to log any direct data changes and in case of modification by certain users with specific access. Further there was no instance of audit trail feature being tampered with respect to the accounting softwares.

Note 52:

In the previous financial year, one of the Subsidiary, McNally Sayaji Engineering Limited has been drawn into Corporate Insolvency Resolution Process vide NCLT order dated 11th February, 2021. On 24th February, 2023 NCLT has approved the resolution plan in the favour of one of the successful resolution applicant, Tega Industries Limited. As per the order all the existing investment held by the Holding Company has been cancelled and delisted. Consequently,

Notes forming part of the Consolidated Financial Statements

for the year ended 31st March, 2024

MSEL ceased to be the subsidiary of McNally Bharat Engineering Co. Ltd with effect from said date and MBE Coal & Minerals Technology India Ltd, being step-down subsidiary of the Holding company no longer remains its step-down subsidiary.

Note 53:

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Signature to Notes 1 to 53

For **V. Singhi & Associates**
Chartered Accountants
Firm Registration Number: 311017E

(Aniruddha Sengupta)
Partner
Membership Number: 051371

Place: Kolkata
Date : 5th June, 2024

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director

DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A: Subsidiaries

Sl. No.		1	2	3
	Name of the subsidiary	**MBE Mineral Technologies Pte Ltd**	**MBE Minerals Zambia Limited**	**McNally Bharat Equipment Limited**
1	The date since when subsidiary was acquired	19 May 2009	21 May 2010	07 March 2008
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company's reporting period	Same as holding company's reporting period	Same as holding company's reporting period
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	"INR (Lakhs)"	"INR (Lakhs)"	"INR (Lakhs)"
4	Share capital	3,765.25	2.08	10.00
5	Reserves and surplus	-4,003.22	-291.85	12.56
6	Total assets	34.76	73.31	160.04
7	Total Liabilities	272.74	363.09	137.48
8	Investments	-	-	-
9	Turnover	-	-	198.33
10	Profit / Loss before taxation	-	-	8.99
11	Provision for taxation	-	-	2.33
12	Profit / Loss after taxation	-	-	6.66
13	Proposed Dividend	-	-	-
14	Extent of shareholding (in percentage)	100%	100%	99.40%

Part B: Associates and Joint Ventures

Sl. No.		1	2	3
	Name of the Associates or Joint Ventures	**MCNALLY TROLEX KILBURN (JV)**	**MCNALLY TROLEX (JV)**	**MCNALLY AML (JV)**
1	Latest Balance Sheet Date	31 March 2024	31 March 2024	31 March 2024
2	Date on which the Associate or Joit Venture was associated or acquired	03 September, 2020	07 October, 2020	12 October, 2020
3	Shares of Associate or Joint Ventures held by the Company on the year end	80%	96-97%	97-98%
4	Amount of Investment in Associates or Joint Ventures	-	-	-

Sl. No.		1	2	3
	Name of the Associates or Joint Ventures	**MCNALLY TROLEX KILBURN (JV)**	**MCNALLY TROLEX (JV)**	**MCNALLY AML (JV)**
5	Extent of Holding (%)	80%	96-97%	97-98%
6	Joint Control / Significant influence	Joint Venture	Joint Venture	Joint Venture
7	Reason for not consolidated	Profit / (Loss) for the year not material	Profit / (Loss) for the year not material	Profit / (Loss) for the year not material
8	Networth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
9	Profit / Loss for the year			
	i) Considered in Consolidation	-	-	-
	II) Not Considered in Consolidation	-	-	-

1 Names of subsidiaries which are yet to commence operations: Nil

2 In terms of NCLT Order dated 24th February 2023 passed under section 31 of the Insolvency & Bankruptcy Code, 2016 in the matter of McNally Sayaji Engineering Limited, the company ceased to remain a subsidiary of McNally Bharat Engineering Company Limited as on 31st March 2023.

3 EMC MBE Contracting Co LLC , a joint venture for MBECL having 35% share is a dormant JV since last couple of years hence the company has initiated winding up proceedings..

For **McNally Bharat Engineering Company Limited**

(Asim Kumar Barman)
Director
DIN: 02373956

(Ravi Sethia)
Chairman of the Montitoring Committee
Erstwhile R.P.

Place: Kolkata
Date : 5th June, 2024

(Pradyuman Baidya)
Chief Financial Officer

(Indrani Ray)
Company Secretary

beyond engineering

McNally Bharat Engineering Company Limited

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BSE ACKNOWLEDGEMENT

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Date and Time of Submission	9/3/2024 10:41:55 PM
Scripcode and Company Name	532629 - MCNALLY BHARAT ENGINEERING COMPANY LTD.
Subject / Compliance Regulation	Reg. 34 (1) Annual Report.
Submitted By	Indrani Ray
Designation	Company Secretary &Compliance Officer

Disclaimer : - Contents of filings has not been verified at the time of submission.

NSE

National Stock Exchange Of India Limited

Date of 03-Sep-2024

NSE Acknowledgement

Symbol:-	MBECL
Name of the Company: -	Mcnally Bharat Engineering Company Limited
Submission Type:-	Annual Report
Quarter/Period Ended: -	31-Mar-2024
Date of Submission:-	03-SEP-2024 10:50:25 PM
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