

## *Independent Auditor's Report*

To the Members of MCNALLY BHARAT EQUIPMENTS LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the financial statements of MCNALLY BHARAT EQUIPMENTS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, its loss for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



### Information other than the financial statements and auditors' report thereon

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act and rules made thereunder.
  - e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Sec 197(16) of the Act as amended, we report that Section 197 is not applicable to a private company. Hence reporting as per Section 197(16) is not required.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind



of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

- v. No dividend have been declared or paid during the year by the company.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.



Place :-KOLKATA  
Date: 26/05/2026  
UDIN: 26303343NEQJDY3086

For HARSH MITA AND ASSOCIATES  
Chartered Accountants  
FRN: 327904E

*Mita Poddar*  
MITA PODDAR  
(PARTNER )  
Membership No. 303343

**Annexure 'A'**

**The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- (i) (a) (A) The Company does not own any Property, Plant and Equipment and hence this clause is not applicable.  
(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
  - (b) The Company does not own any Property, Plant and Equipment and hence this clause is not applicable.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the Right of Use Assets of the Company are held in the name of the Company.
  - (d) As the Company does not own any Property, Plant and Equipment or Intangible Assets, this clause is not applicable.
  - (e) According to the information and explanations given to us no proceeding have been initiated during the year or are pending against the Company as at March 31,2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016 ) and rules made thereunder.
- (ii) (a) The Company does not own any Inventory and hence this clause is not applicable.
  - (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
  - (iv) According to the information and explanations given to us and on the basis of our examination of the records, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non charging of interest on the loan.
  - (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.



- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2026 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (x) (a) The company has not raised any money 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.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us , no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company



- (xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company does not require to have an internal audit system. Accordingly, clause 3(xiv)(a), of the Order is not applicable
- (b) Based on information and explanations provided to us, no internal audit had been conducted of the company. Accordingly, clause 3(xiv)(a), of the Order is not applicable
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company
- (xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii) Based on our examination, the company has incurred cash losses in the financial year and in the immediately preceding financial year. Amount of cash loss during current financial year is Rs 1.42 lakhs and in the immediately preceding financial year is Rs. NIL.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and



management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. 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 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.

- (xx) Based on our examination, the provision of section 135 are not applicable on the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:-KOLKATA  
Date: 26/05/2026



For HARSH MITA AND ASSOCIATES  
Chartered Accountants  
FRN: 327904E

*Mita Poddar*

MITA PODDAR  
(PARTNER )  
Membership No. 303343

***Report on Internal Financial Controls with reference to financial statements***

**Report on the Internal Financial Controls 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 EQUIPMENTS LIMITED ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 Companies Act, 2013.

**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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if 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 system 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 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 system over financial reporting.



### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control 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 control 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 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 unauthorized 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 Over Financial Reporting

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 error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting 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.

Place:-KOLKATA  
Date: 26/05/2026



For HARSH MITA AND ASSOCIATES  
Chartered Accountants  
FRN: 327904E

*Mita Poddar*  
MITA PODDAR  
(PARTNER)  
Membership No. 303343

**MCNALLY BHARAT EQUIPMENTS LIMITED**  
**CIN No.: U27106WB2008PLC123789**  
**Balance Sheet as at 31st March, 2026**

(Amount in Lakhs unless otherwise stated)

Particulars	As at 31st March, 2026	As at 31st March, 2025
<b>ASSETS</b>		
<b>(1) Non Current assets</b>		
Financial assets:		
(i) Other financial assets	15.46	15.46
Non-current tax assets (Net)		
Deferred tax assets (Net)		
<b>Sub-total (1)</b>	<b>15.46</b>	<b>15.46</b>
<b>(2) Current assets</b>		
Financial assets		
(i) Trade Receivables	41.52	34.99
(ii) Cash and cash equivalents	16.21	43.71
(iii) Loans	27.00	-
(iv) Other financial assets	32.51	32.51
Current tax assets (Net)	-	6.57
Other current assets	8.54	8.25
<b>Sub-Total (2)</b>	<b>125.78</b>	<b>126.03</b>
<b>Total assets (1+2)</b>	<b>141.24</b>	<b>141.49</b>
<b>EQUITY AND LIABILITIES</b>		
<b>3. Equity</b>		
(a) Equity share capital	10.00	10.00
(b) Other equity	9.20	10.62
<b>Total equity</b>	<b>19.20</b>	<b>20.62</b>
<b>Liabilities</b>		
<b>4. Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	117.06	117.06
(ii) Lease liabilities		
(ii) Other financial liabilities		
<b>Sub-total (4)</b>	<b>117.06</b>	<b>117.06</b>
<b>5. Current liabilities</b>		
Financial Liabilities		
(i) Borrowings		
(ii) Lease liabilities		
(i) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises		
-Total outstanding dues of creditors other than micro enterprises and small enterprises	0.29	3.13
(ii) Other financial liabilities	4.49	-
Other current liabilities	0.20	0.67
<b>Sub-total (5)</b>	<b>4.98</b>	<b>3.80</b>
<b>Total liabilities</b>	<b>122.04</b>	<b>120.86</b>
<b>Total equity and liabilities</b>	<b>141.24</b>	<b>141.49</b>

Significant Accounting Policies & Notes on Financial Statements

In terms of our Audit report of even date annexed

Certified on behalf of the Board for consolidation purpose with McNally Bharat Engineering Company Ltd.

For HARSH MITA & ASSOCIATES  
Chartered Accountants  
Firm Registration Number: 132796

*Nile Poddar*  
**MITA PODDAR**  
Partner  
Membership No: 303343



*Biswajit Sinha*  
**BISWAJIT SINHA**  
(Director)  
DIN: 07529019

*Avinash Pareek*  
**AVINASH PAREEK**  
(Director)  
DIN: 11243903

Place: Kolkata  
Date: 26/05/2026  
UDIN: 26303343NEQ-JDY3086

**MCNALLY BHARAT EQUIPMENTS LIMITED**  
**CIN No.: U27106WB2008PLC123789**  
**Profit and Loss Account for the Year ended 31st March 2026**

(Amount in Lakhs unless otherwise stated)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
I. Revenue from operations	-	-
II. Other income	-	9.57
<b>III. Total Income (I+II)</b>	<b>-</b>	<b>9.57</b>
<b>IV. Expenses</b>		
Service render cost	-	-
Other Expense	1.42	11.51
<b>Total expenses</b>	<b>1.42</b>	<b>11.51</b>
<b>V. Profit/(Loss) before tax</b>	<b>(1.42)</b>	<b>(1.94)</b>
<b>VI. Income tax expense</b>		
- Current tax	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>
<b>VII. Profit/(Loss) after tax</b>	<b>(1.42)</b>	<b>(1.94)</b>
<b>VIII. Other comprehensive income/(expense)</b> <i>Items that will not be reclassified to statement of profit or loss</i>	-	-
<b>IX. Total comprehensive income/(expense)</b>	<b>(1.42)</b>	<b>(1.94)</b>
<b>X. Earnings per share:</b>		
<i>Basic earnings per share (Face value of INR 10 only each)</i>	(1.42)	(1.94)
<i>Diluted earnings per share (Face value of INR 10 only each)</i>	(1.42)	(1.94)

In terms of our Audit report of even date annexed

Certified on behalf of the Board for  
consolidation purpose with McNally Bharat  
Engineering Company Ltd.

For HARSH MITA & ASSOCIATES  
Chartered Accountants  
Firm Registration Number: 327904E

*Mita Poddar*  
MITA PODDAR  
Partner  
Membership No: 303343



*Biswajit Sinha*  
BISWAJIT SINHA  
(Director)  
DIN: 07529019

*Avinash Pareek*  
AVINASH PAREEK  
(Director)  
DIN: 11243903

Place: Kolkata  
Date: 26/05/2026  
UDIN: 26303343NE@JDY3086

McNally Bharat Equipments Limited  
CIN NO.: U27106WB2008PLC123789

Standalone Statement of Cash Flows for the year ended 31st March, 2026

(Amount in Lakhs unless otherwise stated)

Particulars	Figures for the current reporting period ended 31 Mar, 2026	Figures for the current reporting period ended March, 2025
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax	(1.42)	(1.94)
Adjustment of :		
Operating Profit/(Loss) before Working Capital Changes	-	-
Changes in Current Assets and Liabilities	(1.42)	(1.94)
Increase/(Decrease) In Liabilities for Expenses	(0.26)	23.29
Operating Profit/(Loss) after Charging Working Capital	1.18	(16.62)
Income Tax paid (Net of Tax Refund received)	(0.50)	4.74
Net Cash Flow/(Outflow) from Operating Activities	-	8.21
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(0.50)</b>	<b>12.95</b>
Loan and advances given	(27.00)	-
Net Cash Flow from Investing Activities	(27.00)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash Flow from Financing Activities	-	-
Net Increase/(decrease) In Cash and Cash Equivalents	(27.50)	12.95
Cash and Cash Equivalents at the beginning of the year	43.71	30.76
Cash and Cash Equivalents at the end of the year	16.21	43.71

As Per our Annexed Report of even date

For HARSH MITA & ASSOCIATES

Chartered Accountants

Firm Registration No. 303343

*Mita Poddar*

(Mita Poddar)

Partner

Membership No. 303343

UDIN: 26303343NE010Y3086

Date: 26-05-2026

Place: Kolkata



For McNally Bharat Equipments Limited

*Biswajit Sinha*

BISWAJIT SINHA

(Director)

DIN: 07529019

*Avinash Pareek*

AVINASH PAREEK

(Director)

DIN: 11243903

**MCNALLY BHARAT EQUIPMENTS LIMITED**  
CIN No.: U27106WB2008PLC123789

Notes to Standalone Financial Statements for the year ended 31st March 2026

(Amount in Lakhs unless otherwise stated)

Note 3 Loans	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Loans to related party	27.00	-	-	-
<b>Total</b>	<b>27.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

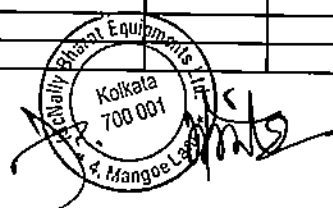
Note 3A Other Financial Assets	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Unsecured, considered good Against Sales Recoverable from related parties (refer note 17) Other receivables	32.51	15.46	32.51	15.46
<b>Total</b>	<b>32.51</b>	<b>15.46</b>	<b>32.51</b>	<b>15.46</b>

Note 4 Tax Assets (Net)	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Tax Deducted at Source (Net of provision for tax of 2.33 Lakhs)	-	-	6.57	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.57</b>	<b>-</b>

**Note 5 Trade Receivables**

Particulars	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Unsecured, considered good	41.52	-	34.99	-
<b>Total</b>	<b>41.52</b>	<b>-</b>	<b>34.99</b>	<b>-</b>

Notes:				
1) Credit period of the Company generally ranges between 30- 120 days.				
2) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables.				
3) Trade Receivables ageing schedule:				
Trade Receivables Ageing Schedule ended 31st March, 2026			Amount (In Rupees)	
Particulars	1 year to 2 year	6 months to 1 year	Total	
(i) Undisputed Trade receivables — considered good	34.99	6.53	41.52	
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	
(iii) Disputed Trade Receivables considered good	-	-	-	
(iv) Disputed Trade Receivables considered doubtful	-	-	-	
Trade Receivables Ageing Schedule ended 31st March, 2025			Amount (In Rupees)	
Particulars	less than 6 Months	6 months to 1 year	Total	
(i) Undisputed Trade receivables — considered good	34.34	0.65	34.99	
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	
(iii) Disputed Trade Receivables considered good	-	-	-	
(iv) Disputed Trade Receivables considered doubtful	-	-	-	

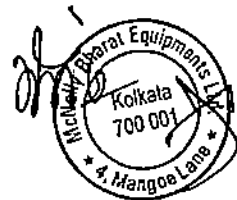


**Note 6 Cash and cash equivalents**

Particulars	31st March 2026		31st March, 2025	
	Current		Current	
Balances with banks:				
Current account				
Axis Bank		5.06		32.55
IndusInd Bank		11.16		11.16
<b>Total</b>		<b>16.21</b>		<b>43.71</b>

**Note 7 - Other Current Assets**

Particulars	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Balances with government authorities				
Goods and services tax	8.54		8.25	
<b>Total</b>	<b>8.54</b>		<b>8.25</b>	



**MCNALLY BHARAT EQUIPMENTS LIMITED**

CIN No.: U27106WB2008PLC123789

Notes to Standalone Financial Statements for the year ended 31st March 2026

(Amount in Lakhs unless otherwise stated)

**Note 8 - Borrowings**

Particulars	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Unsecured				
Loan from other related parties (refer note no. 17)		2.06		2.06
Loan from others		115.00		115.00
<b>Total</b>		<b>117.06</b>		<b>117.06</b>

**Note 9 - Other Financial Liabilities**

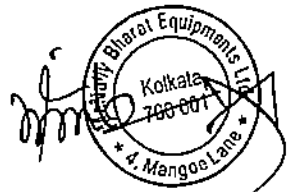
Particulars	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Measured at Amortised Cost				
Expenses payable (Related Party)	4.49	-	-	-
<b>Total</b>	<b>4.49</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 10 - Other Liabilities**

Particulars	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Provision for expenses	0.20		0.67	
<b>Total</b>	<b>0.20</b>	<b>-</b>	<b>0.67</b>	<b>-</b>

**Note 11 - Trade Payables**

Particulars	31st March 2026		31st March, 2025	
	Current	Non-current	Current	Non-current
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.29		3.13	-
<b>Total</b>	<b>0.29</b>	<b>-</b>	<b>3.13</b>	<b>-</b>
Of the above, trade payables to:				
Disputed dues - MSME				
Disputed dues - Others				
<b>Total</b>	<b>0.29</b>	<b>-</b>	<b>3.13</b>	<b>-</b>



**McNally Bharat Equipments Limited**  
CIN No.: U27106WB2008PLC123789  
Notes to Standalone Financial Statements for the year ended 31st March 2026

(Amount in Lakhs unless otherwise stated)

**Note 12: Equity share capital and other equity**

**Note 12(a): Equity share capital**

**Authorised equity share capital**

Particulars	Number of shares	As at 31st March 2026	As at 31st March 2025
100000 Equity Shares of Rs.10/- each (Pr.Yr. 100000 Equity shares of Rs.10/- each)	1,00,000	10	10
	1,00,000	10	10

**Issued, Subscribed & fully Paid -up Shares**

Particulars	Number of shares	As at 31st March 2026	As at 31st March 2025
100000 Equity Shares of Rs.10/- each (Pr.Yr. 100000 Equity shares of Rs.10/- each)	1,00,000	10	10
	1,00,000	10	10

**Terms/ rights attached to equity shares**

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

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

**Shares of the company held by holding / ultimate holding company**

Shareholder	As at 31st March 2026	As at 31st March 2025
Out of equity shares Issued by the company, shares held by its holding company and ultimate holding company are as below: McNally Bharat Engineering Company Limited, the holding company	99,400	99,400

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

Shareholder	As at 31st March 2026		As at 31st March 2025	
	No of Shares	%	No of Shares	%
McNally Bharat Engineering Company Limited	99,400	99.40%	99,400	99.40%
	99,400	99.40%	99,400	99.40%

**Details of change in Promoter Holding**

Shareholder	As at 31st March 2026		As at 31st March 2025	
	No of Shares	Change	No of Shares	%
McNally Bharat Engineering Company Limited	99400	-	99400	-
Prabir Kumar Ghosh	100	-	100	-
Arindam Sarkar	100	-	100	-
Prasanta Kumar Chandra	100	-	100	-
Sambhu Prasad	100	-	100	-
Nilanjan Roy	100	-	100	-
Mohan Bhasker	100	-	100	-
	1,00,000	0.00%	1,00,000	0.00%

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

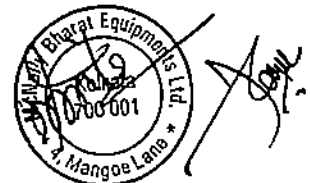
- i) The Company has not issued any shares without payment being received in cash.
- ii) The Company has not issued any bonus shares.
- iii) The Company has not undertaken any buy-back of shares.

**Dividend paid and proposed**

There is no dividend paid or proposed during the year ended 31 March 2026 and 31 March 2025

**Change in shareholding of the Company**

There is no change in shareholding.



MCNALLY BHARAT EQUIPMENTS LIMITED

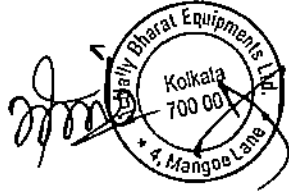
CIN No.: U27106WB2008PLC123789

Notes to Standalone Financial Statements for the year ended 31st March 2026

Note 12(b) : Other Equity

(Amount in Lakhs unless otherwise stated)

Particulars	31 March 2026	31 March 2025
Surplus		
Balance as per last account	10.62	12.56
Add: Current year Profit	(1.42)	(1.94)
	9.20	10.62
Total Reserves and Surplus	9.20	10.62



**MCNALLY BHARAT EQUIPMENTS LIMITED**  
**CIN No.: U27106WB2008PLC123789**  
**Notes to Standalone Financial Statements for the year ended 31st March 2026**

(Amount in Lakhs unless otherwise stated)

**Note 13 : Revenue from Operation**

Particulars	Mar-26	March.25
Contract Revenue	-	-
Other Operating Income	-	-
<b>Total of Revenue from Operation</b>	-	-

**Note 14 : Other Income**

Particulars	Mar-26	March.25
Interest from Financial assets	-	-
Interest from Income Tax	-	0.37
Professional fees reversed	-	9.21
<b>Total of Other Income</b>	-	<b>0.37</b>

**Note 15 : Costs of Services Rendered**


Particulars	Mar-26	March.25
Services Charges Paid	-	-
<b>Total of Costs of Service Rendered</b>	-	-

**Note 16 Other Expenses**

Particulars	Mar-26	March.25
Auditor's Remuneration (Audit Fees)	0.20	0.20
Bank Charges	0.02	0.02
Services fees returned	-	10.27
Filing Fees	0.03	0.05
P Tax	-	0.03
Rent	0.94	0.94
Professional Fees	0.16	-
Miscellaneous Expenses	0.08	-
<b>Total of Other Expenses</b>	<b>1.42</b>	<b>11.51</b>



Certified on behalf of the Board for  
consolidation purpose with McNally  
Bharat Engineering Company Ltd.

  
**BISWAJIT SINHA**  
(Director)  
DIN: 07529019

  
**AVINASH PAREEK**  
(Director)  
DIN: 11243903

Place: Kolkata  
Date: 26/05/2026

**MCNALLY BHARAT EQUIPMENTS LIMITED**  
CIN No.: U27106WB2008PLC123789

Summary of significant accounting policies and other explanatory information for year ended 31 March 2025  
(Amount in Lakhs unless otherwise stated)

**17 Related party disclosures**

Information on related party transactions as required by Ind AS 24 - Related Party Disclosures for the year ended 31 March, 2025

**a) List of related parties**

Holding company	McNally Bharat Engineering Co. Ltd.
Directors & Key Managerial Personnel	1. Avinash Pareek 2. Binayaji Sinha 3. Subhayan Sarkar
Joint Ventures	1. McNally-AML (JV) 2. McNally-Troxel (JV) 3. McNally-Troxel-Kibum (JV)

**b) Details of related Party transactions**

Nature of Transactions	31st March 2025	31st March 2024
Rent Paid McNally Bharat Engineering Co. Ltd.	0.94	0.94
Loan Given McNally Bharat Engineering Co. Ltd.	27.00	-

**c) Outstanding Balance**

Nature of Transactions	31st March 2025	31st March 2024
Loan and Advances Given McNally Bharat Engineering Co. Ltd.	59.51	32.51
Loan and Rent Payable McNally Bharat Engineering Co. Ltd.	6.62	5.63

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

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

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

**Loans and Advances given by the company**

Name	Nature of Loan	Amount of Loan	Rate of Interest
Related parties*	Advance	59.51	-

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

**18 Segment reporting**

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

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

**19 Contingent liabilities and commitments**

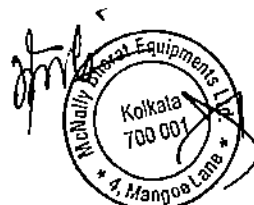
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for amount is Nil (31 March 2025; Nil)

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

**20 Earnings per Share**

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

Particulars	As at	As at
Profit after Taxation (Rs.)	(1.42,000)	(1.94,000)
Weighted average number of equity shares outstanding	1,00,000	1,00,000
Basic earning per shares (Rs.)	(1.42)	(1.94)
Dilutive earnings per equity share (Rs.)	(1.42)	(1.94)
Nominal Value of Equity Shares (Rs.)	10	10



**MCNALLY BHARAT EQUIPMENTS LIMITED**  
CIN No.: U27106WB2008PLC123789

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2026  
(Amount in Lakhs unless otherwise stated)

**21 Financial assets and liabilities**

**a) Fair value of financial assets and liabilities**

	As at 31 March 2026		As at 31 March 2025	
	Carrying Amount	At historical Cost	Carrying Amount	At historical Cost
<b>Financial Assets</b>				
Fair value of financial assets measured at historical cost				
Trade receivables	41.52	41.52	34.99	34.99
Cash and cash equivalents	16.21	16.21	43.71	43.71
Other bank balances				
Other financial assets	32.51	32.51	32.51	32.51
<b>Total financial assets</b>	<b>90.24</b>	<b>90.24</b>	<b>111.21</b>	<b>111.21</b>
<b>Financial liabilities</b>				
Fair value of financial liabilities measured at amortised cost				
Trade payables	0.29	0.29	0.02	0.02
Other financial liabilities	4.49	4.49	3.11	3.11
<b>Total financial liabilities</b>	<b>4.78</b>	<b>4.78</b>	<b>3.13</b>	<b>3.13</b>

**b) Financial assets and liabilities by category**

	As at 31 March 2026		As at 31 March 2025	
	FVTPL	At historical Cost	FVTPL	At historical Cost
<b>Financial assets</b>				
Trade receivables	-	41.52	-	34.99
Cash and cash equivalents	-	16.21	-	43.71
Other financial assets	-	32.51	-	32.51
<b>Total financial assets</b>	<b>-</b>	<b>90.24</b>	<b>-</b>	<b>111.21</b>
<b>Financial liabilities</b>				
Trade Payables	-	0.29	-	0.02
Other financial liabilities	-	4.49	-	3.11
<b>Total financial liabilities</b>	<b>-</b>	<b>4.78</b>	<b>-</b>	<b>3.13</b>

**Note:**

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

**22 Financial risk management**

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

**1 Credit Risk**

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

**a) Trade Receivables**



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

**b) Other Financial Instruments**

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

**ii Liquidity risk**

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

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

	Carrying Amount	On demand	0 to 1 year	1 to 3 years	Above 3 years	Total
<b>As at 31 March 2026</b>						
Trade payables	0.29		0.29	-	-	0.29
Other financial liabilities	4.49		4.49	-	-	4.49
<b>Total</b>	<b>4.78</b>	<b>-</b>	<b>4.78</b>	<b>-</b>	<b>-</b>	<b>4.78</b>
<b>As at 31 March 2025</b>						
Trade payables	0.02		0.02	-	-	0.02
Other financial liabilities	3.11		3.11	-	-	3.11
<b>Total</b>	<b>3.13</b>	<b>-</b>	<b>3.13</b>	<b>-</b>	<b>-</b>	<b>3.13</b>

**iii Market risk**

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

**iv) Interest rate risk**

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

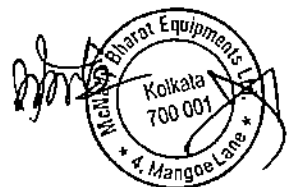
**v) Capital management**

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

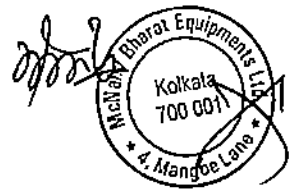
The Board of Directors review the capital structure of the Company on need basis. As part of this review, boards evaluates the leverage in Company and assessment of cost of capital.

**23 Analytical ratio**

Ratio	Numerator	Denominator	Formula	UoM	As at 31 March 2026	As at 31 March 2025	Variance %	Reason for variance
Current ratio	Current assets	Current liabilities	Current assets/ Current liabilities	Times	25.25	33.18	-31.39	Due to decrease Sales
Debt-equity ratio	Total debt	Shareholder's Equity	Total debt/ Shareholder's Equity	Times	6.10	5.68	6.89	
Debt service coverage ratio	Earnings available for debt service	Finance costs on borrowings	Earnings available for debt service/ Debt Service	Times	-	-	-	NA



Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	Net Profits after taxes / Average Shareholder's Equity	%	-7.13	-2.25	68.50	Due to decrease Sales
Inventory turnover ratio	Sales	Average Inventory	Cost of goods sold OR sales/ Average Inventory	Times	-	-		NA
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	Net Credit Sales/ Average Accounts Receivable	Times	-	-		NA
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	Net Credit Purchases/ Average Trade Payables	Times	-	-		NA
Net capital turnover ratio	Net Sales	Working Capital	Net Sales/ Working Capital	Times	0.00	0.08	0.00	Due to decrease Sales
Net profit ratio	Net Profit	Net Sales	Net Profit/ Net Sales	%	0.00	-0.20	0.00	Due to decrease Sales
Return on capital employed	Profit before Interest and taxes	Average Capital Employed	Earning before Interest and taxes/ Average Capital Employed	%	-4.99	-3.81	23.60	Due to decrease Sales
Return on Investment	Profit on sale of Investments+Profit on fair valuation of Investment	Current Investment+Non Current Investment	Profit on sale of Investments+ Profit on fair valuation of Investment/ Current Investment+Non current Investment	%	0.00	0.00	0.00	NA



**MCNALLY BHARAT EQUIPMENTS LIMITED**

**CIN No.: U27106WB2008PLC123789**

**Notes to Standalone Financial Statements for the year ended 31st March, 2026**

**1 Background**

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

**2 Significant accounting policies**

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

**(a) Basis of preparation**

**(i) Compliance with Ind AS**

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

**(ii) Historical cost convention**

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

**(iii) Operating Cycle**

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

**(b) Revenue recognition**

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

**(i) Sale of Goods**

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

**(ii) Sale of Services**

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

**(iii) Revenue from construction contracts**

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

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

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

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

**(iv) Interest Income**

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

**(v) Dividend Income**

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

**(iv) Income from duty drawback**

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

**(c) Impairment of assets**

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

**(d) Cash and Cash Equivalents**

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

**(e) Financial Instruments**

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

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

**(f) Borrowings**

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

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

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

**(g) Borrowings costs**

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



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

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

**(h) Provisions, Contingent Assets and Liabilities**

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

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

**(c) Income Tax**

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

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

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

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

**(i) Contributed Equity**

Equity shares are classified as equity

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

**(j) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**(ii) Diluted earnings per share**

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

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

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

