

HARSH MITA & ASSOCIATES

CHARTERED ACCOUNTANTS

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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 accompanying financial statements of **MCNALLY BHARAT EQUIPMENTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, and the statement of Profit and Loss, (statement of changes in equity) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 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 March 31, 2022, and Profit, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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, Business Responsibility 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 standalone 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.

Management's Responsibilities for 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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 statement 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.

That Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditor's Responsibility 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.



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 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", the 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 relating to preparation of Financial Statements have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these Financial Statements.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as applicable to the Company.



- e) On the basis of written representations received from the Directors as on 31st March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration is not paid by the Company to its directors during the year. Hence, the provision of section 197 of the Act is not applicable.
- h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- As informed to us the Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

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

(Harsh Poddar)
Partner
Membership No. 301856
UDIN:22301856ANJEZG5940

Date: 23.05.2022
Place: Kolkata

“ANNEXURE A” TO THE AUDITOR’S REPORT

Statement referred to in paragraph 1 of ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of **McNally Bharat Equipments Limited** on the Standalone Financial Statements for the year ended 31st March, 2022.

- (i) The Company does not have any fixed assets during the year. Therefore, the provisions of Clause 3(i) (a), (b) & (c) of the said Order are not applicable to the Company.
- (ii) As the Company has no inventory, therefore, the provisions of Para ii (a), (b) and (c) of paragraph 3 of the said order are not applicable to the company.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is no guarantee and security granted in respect of which provisions of Section 185 and 186 of the Act are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Act in respect of loans granted and investments made during the year.
- (v) The Company has not accepted any deposit within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) As per information and explanations given to us by the management, maintenance of cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Act is not applicable to the Company.
- (vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, duty of customs, goods and service tax, cess or any other statutory dues, to the extent applicable, have been regularly deposited with appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as at 31st March, 2022 for a period of more than six months from the date of becoming payable.
(b) There were not any undisputed amounts payable in respect of the statutory dues in arrears as at 31st March, 2022, for a period of more than six months from the date they become payable.
- (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) On the basis of our examination of records and according to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institution, bank or Government. The Company has not issued any debentures. Therefore, clause (viii) of paragraph 3 of the said order is not applicable to the Company
- (x) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor taken any term loan during the year. Therefore, clause (ix) of paragraph 3 of the said order is not applicable to the Company.
- (xi) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xii) The Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) 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
- (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) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.



- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (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.

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



Harsh Poddar
(Harsh Poddar)
Partner
Membership No. 301856
UDIN: 22301856ANJEZG5940

Date: 23.05.2022
Place: Kolkata

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended and as 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 (the 'Guidance Note'). 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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors' judgment, 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 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 authorizations 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

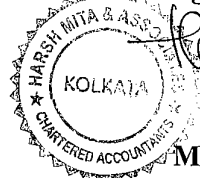
Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2022, 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.

For HARSH MITA & ASSOCIATES

Chartered Accountants

Firm Registration No. 327904E



Harsh Poddar

(Harsh Poddar)

Partner

Membership No. 301856

UDIN: 22301856ANJEZG5940

Date: 23.05.2022

Place: Kolkata

MCNALLY BHARAT EQUIPMENTS LIMITED

Standalone Balance Sheet as at March 31, 2022

(Amount in Rupees)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
(1) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	4 (a)	10,682,883	439,133
(ii) TDS Receivables		24,275	-
Loan & Advance	4 (b)	1,763,481	3,838,415
Total current assets		12,470,639	4,277,548
Total assets		12,470,639	4,277,548
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2	1,000,000	1,000,000
(b) Other equity			
Reserves and surplus	3	(246,715)	(438,906)
Total equity		753,285	561,094
Liabilities			
(1) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	5(a)	205,554	205,554
(ii) Other financial liabilities	5(b)	11,511,800	3,510,900
Total current liabilities		11,717,354	3,716,454
Total liabilities		11,717,354	3,716,454
Total equity and liabilities		12,470,639	4,277,548

Significant Accounting Policies &
Notes on Financial Statements

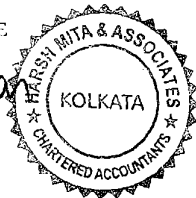
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As Per our Annexed Report of even date

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

Harsh Poddar

CA Harsh Poddar
Partner
Membership No.301856
UDIN: 22301856ANJEZG5240
Kolkata,
Kolkata, May 23, 2022



For McNally Bharat Equipments Limited

ASHOKE KUMAR BOSE
ASHOKE KUMAR BOSE
(Director)
DIN: 07288661

BISWAJIT SINHA
BISWAJIT SINHA
(Director)
DIN: 07529019

MCNALLY BHARAT EQUIPMENTS LIMITED

Standalone Statement of Profit and Loss for the period ended 31 March 2022

(Amount in Rupees)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations		-	-
Other income (Interest Income)		242,750	-
Total income		242,750	-
Expenses			
Other Expense	6	50,559	15,998
Total expenses		50,559	15,998
Profit/(Loss) before exceptional items and tax		192,192	(15,998)
Exceptional items			
Profit/(Loss) before tax		192,192	(15,998)
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		192,192	(15,998)
Other comprehensive income/(expense)		-	-
<i>Items that will not be reclassified to statement of profit or loss</i>			
Other comprehensive income/(expense) for the year		-	-
Total comprehensive income/(expense) for the year		192,192	(15,998)
Earnings per share:			
Basic earnings per share (Face value of INR 10 only each)		1.92	(0.16)
Diluted earnings per share (Face value of INR 10 only each)		1.92	(0.16)

Significant Accounting Policies &
Notes on Financial Statements

1
2 to 7

As Per our Annexed Report of even date

For McNally Bharat Equipments Limited

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

Harsh Poddar



CA Harsh Poddar
Partner
Membership No.301856
UDIN: 22301856ANJEZG5940

Kolkata,
Kolkata, May 23, 2022

ASHOKE KUMAR BOSE

ASHOKE KUMAR BOSE
(Director)
DIN: 07288661

BISWAJIT SINHA

BISWAJIT SINHA
(Director)
DIN: 07529019

McNally Bharat Equipments Limited

Standalone Statement of changes in equity for the nine month ended March 31, 2022

Statement of changes in Equity

A. Equity share capital

Description	Notes	Amount in Rupees
As at 1st April, 2021	3(a)	1,000,000
Changes in equity share capital		-
As at 31st March, 2022		1,000,000

B. Other equity

Description	Notes	Reserve and surplus	Total other equity(in Rs.)
		(Retained earnings)	
Balance at 1st April, 2020	3(b)	(422,908)	(422,908)
Profit for the year		(15,998)	(15,998)
Other comprehensive income/(Expense)		-	-
Total comprehensive income/(Expense) for the year		(15,998)	(15,998)
Dividends paid		-	-
Balance at 31st March, 2021		(438,906)	(438,906)

Description	Notes	Reserve and surplus	Total other equity
		(Retained earnings)	
Balance at 1st April, 2021	3(b)	(438,906)	(438,906)
Profit/(Loss) for the year		192,192	192,192
Other comprehensive income		-	-
Total comprehensive income/(Expense) for the year		192,192	192,192
Dividends paid		-	-
Balance as at 31st March, 2022		(246,715)	(246,715)

As Per our Annexed Report of even date

For McNally Bharat Equipments Limited

For HARSH MITA & ASSOCIATES

Chartered Accountants

Firm Registration No.327904E

Harsh Poddar

CA Harsh Poddar

Partner

Membership No.301856

UDIN: 22301856ANJEZG5940

Kolkata,

Kolkata, May 23, 2022



ASHOKE KUMAR BOSE

ASHOKE KUMAR BOSE

(Director)

DIN: 07288661

BISWAJIT SINHA

BISWAJIT SINHA

(Director)

DIN: 07529019

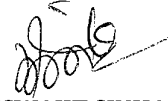
McNally Bharat Equipments Limited
List of Members as on 31st March, 2022

Sl. No.	Folio No.	Name	Father's Name	No. of Securities
1	001	Prabir Kumar Ghosh	Anilendu Ghosh.	100
2	002	Arindam Sarkar	Ajit Sarkar	100
3	003	Prasanta Kumar Chandra	Sukumar Chandra	100
4	004	Sambhu Prasad	Shiv Jatan Sah	100
5	005	Nilanjan Roy	Prio Ranjan Roy	100
6	006	Mohan Bhasker	V A Bhasker	100
7	007	McNally Bharat Engineering Co. Ltd.		99400
Total No. of Shares				100000

For McNally Bharat Equipments Limited



ASHOKE KUMAR BOSE
(Director)
DIN: 07288661



BISWAJIT SINHA
(Director)
DIN: 07529019

McNally Bharat Equipments Limited

Notes on Accounts for the year ended March 31, 2022

7 Related Party

Related Party Disclosures as required by As 18 "Related Party Disclosures" are given below.

i) Relationships

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

ii) Details of related Party transactions and Outstanding Balance as on 31.03.2022

Nature of Transactions	Holding Company	McNally-AML (JV)	McNally-Troxex (JV)	McNally-Troxex-Kilburn (JV)
Interest Income	-	72,800.00	91,990.00	77,960.00
Advance Taken (Return)	-	771,660.00	1,000,984.00	520,765.00
Outstanding as on 31.03.2022	(205,554.00)	65,518.00	82,796.00	70,167.00

iii) Amount and proportion of total loan given to Related Party.

Type of borrower	Amount of loan or advance taken in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans taken
Promoters	-	-
Directors	-	-
KMPs	-	-
Related parties *	205,554.00	1.76
Others**	-	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.

iv) Loans and Advances given by the company

Name	Nature of Loan	Amount of Loan	Rate of Interest
No Loans and Advances given by the company during the FY 2021-22.			

For McNally Bharat Equipments Limited


ASHOKE KUMAR BOSE
 (Director)
 DIN: 07288661


BISWAJIT SINHA
 (Director)
 DIN: 07529019

McNally Bharat Equipments Limited
Registered Office: 4 Mangoe Lane, Kolkata - 700001

Standalone Statement of Cash Flows for the year ended March 31, 2022

(Amount in Rupees)

Particulars	Figures for the current reporting period ended March 31, 2022	Figures for the current reporting period ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax	192,192	(15,998)
Adjustments for:		
Preliminary Expenses, Discount on issue of Share and Debenture		
Operating Profit/(Loss) before Working Capital Changes	192,192	(15,998)
(Increase)/Decrease in Current Assets	2,050,659	-
Increase/(Decrease) in Current Liabilities	8,000,900	(338,415)
Operating Profit/(Loss) after Charging Working Capital	10,243,751	(354,413)
Income Tax paid (Net of Tax Refund received)	-	-
Net Cash Flow/(Outflow) from Operating Activities	10,243,751	(354,413)
CASH FLOW FROM INVESTING ACTIVITIES	-	-
Net Cash Flow from Investing Activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Cash Flow from Financing Activities	-	-
Net increase/(decrease) in Cash and Cash Equivalents	10,243,751	(354,413)
Cash and Cash Equivalents at the beginning of the year	439,133	793,546
Cash and Cash Equivalents at the end of the year	10,682,883	439,133

As Per our Annexed Report of even date

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

Harsh Poddar

CA Harsh Poddar
Partner
Membership No.301856
UDIN: 22301856ANJEZG5940
Kolkata,
Kolkata, May 23, 2022



For McNally Bharat Equipments Limited

ASHOKE KUMAR BOSE

(Director)
DIN: 07288661

BISWAJIT SINHA

(Director)
DIN: 07529019

MCNALLY BHARAT EQUIPMENTS LIMITED

Notes to the Standalone Financial Statements

Background

McNally Bharat Equipments Limited (MBEqL) 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.

1 Significant accounting policies

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

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

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

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

(ii) Interest Income

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

(iii) 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) Trade and other payables

These amounts represent liabilities for goods and services acquired by 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 24 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(f) Borrowings

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

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

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

Provisions are recognized when there is a present obligation as a result of 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.

(i) Contributed Equity

Equity shares are classified as equity

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

(j) Earnings per share

(i) Basic earnings per share

- Basic earnings per share is calculated by dividing:
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

(ii) Diluted earnings per share

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

- The after income tax effect of interest and other financing costs associated with dilutive potential equity share, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

McNally Bharat Equipments Limited

Notes to Standalone Financial Statements for the quarter ended March 31, 2022

Note 2: Equity share capital and other equity

Note 2(a): Equity share capital

Authorised equity share capital

Particulars	Number of shares	Amount in Rupees	
		As at 31st March, 2022	As at 31st March, 2021
100000 Equity Shares of Rs.10/- each (Pr.Yr. 100000 Equity shares of Rs.10/- each)	100,000	1,000,000	1,000,000
	100,000	1,000,000	1,000,000

Issued, Subscribed & fully Paid -up Shares

Particulars	Number of shares	As at 31st March, 2022	As at 31st March, 2021
100000 Equity Shares of Rs.10/- each (Pr.Yr. 100000 Equity shares of Rs.10/- each)	100,000	1,000,000	1,000,000
	100,000	1,000,000	1,000,000

Terms/ rights attached to equity shares

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, 2022	As at 31st March, 2021
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, 2022		As at 31st March, 2021	
	Number of shares	% holding	Number of shares	% holding
McNally Bharat Engineering Company Limited	99,400	99.40%	99,400	99.40%
	99,400	99.40%	99,400	99.40%

McNally Bharat Equipments Limited**Notes to Standalone Financial Statements for the nine month ended March 31, 2022****Note 3 : Reserves & surplus**

Particulars	Amount in Rupees	
	31 March 2022	31 March 2021
Surplus		
Balance as per last account	(438,906)	(422,908)
Add: Current year Profit / (loss)	192,192	(15,998)
	(246,715)	(438,906)
Total Reserves and Surplus	(246,715)	(438,906)

McNally Bharat Equipments Limited**Notes to Standalone Financial Statements for the nine month ended March 31, 2022****Note 4 (a): Cash and cash equivalents**

(Amount in Rupees)

Particulars	31 March 2022	31 March 2021
Balances with banks:		
Current account with scheduled banks	10,682,883.19	439,132.69
	10,682,883.00	439,133.00

Note 4 (b) - Loan and Advance given

Particulars	31 March 2022	31 March 2021
GS Pilling	1,545,000	1,545,000
MBE- aml (jv)	65,518	771,666
MBE - Trolex (jv)	82,796	987,359
MBE -Trolex-kill(jv)	70,167	534,390
	1,763,481	3,838,415

Note 5(a) Current borrowings

Particulars	31 March 2022	31 March 2021
Loans and advances from related parties:		
Unsecured loans from McNally Bharat Engineering Co. Ltd., the holding company	205,554	205,554
	205,554	205,554

Note 5(b) - Other financial liabilities

Particulars	31 March 2022	31 March 2021
Liabilities for expenses	11,800	10,900
Advance from McNally Bharat Infrastructure Co. Ltd.	11,500,000	3,500,000
	11,511,800	3,510,900

McNally Bharat Equipments Limited

Notes to Standalone Financial Statements for the nine month ended March 31, 2022

Note 6 : Other expenses

(Amount in Rupees)

Particulars	31 March 2022	31 March 2021
Auditor's Remuneration (Audit Fees)	5,900	5,900
Bank Charges	1,859	2,298
Professional Services	18,600	7,800
Filing Fees	24,200	-
Total other expenses	50,559	15,998

Sl. No.	Particulars	31 March 2022		
		Numerator	Denominator	Ratio
1	Current Ratio (in times)	12,470,639.00	11,717,354.00	1.06
Explanation		Total Current Assets	Total Current Liabilities	
2	Debt-Equity Ratio (in times)	11,717,354.00	753,285.10	15.56
Explanation		Debt Consists of Borrowings	Total Equity	
3	Debt Service Coverage Ratio (in times)	192,191.50	-	-
Explanation		Earnings for Debt Services = Net Profit after Tax + Non cash operating expenses + interest + non operating expenses	Debt Services = Interest payments + Principal repayments	
4	Return on Equity Ratio (in %)	192,191.50	657,189.35	29.24
Explanation		Profit for the year less preference dividend (if any)	Average total equity	
5	Inventory Turnover Ratio (in times)	-	-	-
6	Trade Receivables Turnover Ratio (in times)	-	-	-
7	Trade Payables Turnover Ratio (in times)	-	-	-
8	Net Capital Turnover Ratio (in times)	-	-	-
9	Net Profit Ratio (in %)	192,191.50	242,750.00	79.17
Explanation		Profit for the year less preference	Total Income	
10	Return on Capital Employed (in %)	192,191.50	753,285.00	25.51
Explanation		Profit before Tax & Finance Cost	Capital Employed = Net Worth + Total Debt	
11	Return on Investment (in %)	192,191.50	12,470,639.00	1.54
Explanation		Income generated from Invested funds	Average investment funds	

at Equipments Limited

losure of Ratios

31 March 2021			Difference (%)	Remarks
Numerator	Denominator	Ratio		
4,277,547.69	3,716,454.00	1.15	-8.15	NA
Total Current Assets	Total Current Liabilities			
3,716,454.00	561,093.60	6.62	57.42	Due to increase in other financial liabilities.
Debt Consists of Borrowings	Total Equity			
-15,997.95	-			
Earnings for Debt Services = Net Profit after Tax + Non cash operating expenses + interest + non operating expenses	Debt Services = Interest payments + Principal repayments	-	-	No Long term Loan
-15,997.95	561,093.60	-2.85	109.75	Due to loss incurred for the financial year ended 31st March, 2021.
Profit for the year less preference dividend (if any)	Average total equity			
-	-	-	-	Not Applicable since no sales/Turnover
-	-	-	-	
-	-	-	-	
-	-	-	-	
-15,997.95	-	-	-	Due to other income generated and increase in profit for the financial year ended 31st March, 2022.
Profit for the year less	Total Income			
-15,997.95	561,093.69	-2.85	111.18	
Profit before Tax & Finance Cost	Capital Employed = Net Worth + Total Debt			
-15,997.95	4,277,547.69	-0.37	124.27	Due to increase in Cash & Bank Balance as resulting from increase in other financial liabilities.
Income generated from Invested funds	Average investment funds			

Bank Balance as per Books	439,133
Add: Cheque issued to MBIL	8,000,000
Bank balance as on 31.03.21	8,439,133

Schedule III Requirements

Sl. No.	Particulars	Remarks
1	Shareholdings of Promoters.	List of Promoters enclosed along with the No. of Shares held
2	Statement of Changes in Equity	There is no Change in Equity Share, however, there is a change in Other Equity (Reserve & Surplus) as details in Note No. 3
3	Loans and Advances to Related Party.	NIL
4	Disclosure of Ratios.	

Sl. No.	Type of borrower	Amount of loan or advance taken in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans taken
1	Promoters	-	-
2	Directors	-	-
3	KMPs	-	-
4	Related parties *	205,554.00	1.76
5	Others**	11,500,000.00	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

Sl. No.	Name	Nature of Loan	Amount of Loan
No Loans and Advances given by the company during the FY 2021-22.			