



# 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 Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of MCNALLY BHARAT EQUIPMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

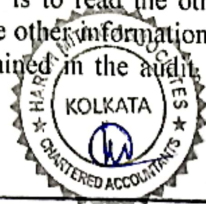
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Act 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.

#### Other Information

3. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
4. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
5. In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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6. When we read the aforesaid report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibility of Management for Financial Statements**

7. 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, 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. 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.
9. The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

10. 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.
11. 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.
  - Obtained 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.
12. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

### **Report on Other Legal and Regulatory Requirements**

13. 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, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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".
  - (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, no remuneration has been paid/ provided by the Company to its directors during the year.



(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:

- a. The Company does not have any pending litigations which could impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d.
  - (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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;
  - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
  - (iii) Based on the 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 (i) and (ii) above, contain any material misstatement.
- e. The Company has neither proposed any dividend in the previous year or in the current year nor paid any interim dividend during the year.

**For HARSH MITA & ASSOCIATES**  
**Chartered Accountants**



**Firm Registration No. 327904E**

*Harsh Poddar*  
**(Harsh Poddar)**

**Partner**

**Membership No. 301856**

**UDIN: 23301856BGYEAH4511**

**Date: 18.05.2023**

**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 31<sup>st</sup> March, 2023.

1. (a)(A) The Company does not own any Property, Plant and Equipment and hence this clause is not applicable.  
(B) The Company does not own any intangible assets and hence this clause is not applicable.  
(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, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. The Company does not own any Inventory and hence this clause is not applicable.
3. (a) A. The Company does not have any subsidiary, associate or joint venture hence reporting under this clause is not applicable.  
B. The Company has granted advance to holding company and the summarized detail of the same has been depicted in the following table:

(Rs in '000)

Particulars	Loans
Aggregate amount granted/ provided during the year	5844.00
Balance outstanding as at balance sheet date in respect of above cases	5844.00

- (b) The terms and conditions of the aforesaid loan, in our opinion, is not prima-facie prejudicial to the interests of the Company.
- (c) There is no stipulation regarding recovery of advances as these advances are repayable on demand.
- (d) The aforesaid advances being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.
- (e) Since all the above loans are repayable on demand, reporting under this clause is not applicable.



- (f) According to information and explanation given to us and records of the Company examined by us, details of loans repayable on demands are as per below given

(Rs. in '000)

	Promoters	Related Parties (Holding Company)
Aggregate amount of loans/ advances in nature of loans		
- Repayable on demand (A)	-	5844.00
- Agreement does not specify any terms or period of repayment (B)	-	-
		5844.00
Total (A+B)	-	100%
Percentage of loans/ advances in nature of loans to the total loans	-	

4. According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.
5. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.
6. The Central Government of India has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
7. (a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, goods & services tax and any other material applicable statutory dues, as applicable, with the appropriate authorities except Income Tax deducted at source.  
There are no undisputed amounts of statutory dues payable which are in arrears as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues of the income tax, custom duty, sales tax, excise duty, service tax and goods & services tax that have not been deposited with the appropriate authorities on account of any disputes.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or in the payment of interest to lenders during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and the records examined by us, the Company has not obtained any term loans during the year.
- (d) According to the information and explanations given to us and the records examined by us, the Company has not raised any funds on short term basis during the year.
- (e) & (f) According to the information and explanations given to us the Company does not have any subsidiaries, associates or joint ventures and hence reporting under this clause is not applicable.





10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under this clause is not applicable.
11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle-blower during the year (and up to the date of this report) and hence reporting under this clause is not applicable.
12. The related statutes are not applicable as the Company is not a Nidhi Company.
13. According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of Section 188 of the Act with respect to its transactions with the related parties. The provisions of Section 177 are not applicable to the Company. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 31 of the financial statements for the year under audit.
14. According to the information and explanations given to us, the Company is not required to appoint internal auditor as per the requirements of section 138 of the Companies Act, 2013 and hence reporting under this clause is not applicable.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a) & (b) is not applicable.
- &
- (b)
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.
17. The Company has not incurred cash losses during the current and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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.

20. According to information and explanation given to us and records of the Company examined by us, the provisions of section 135 (5) of the Companies Act. 2013 is not applicable to Company.
21. The Company does not have any subsidiary, associate and joint venture hence reporting under this clause is not applicable.

**For HARSH MITA & ASSOCIATES**  
**Chartered Accountants**



**Firm Registration No. 327904E**

*Harsh Poddar*  
**(Harsh Poddar)**

**Partner**

**Membership No. 301856**

**UDIN: 23301856BGYEAH4511**

**Date: 18.05.2023**

**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, 2023 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, 2023, 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**

**Registration No. 327904E**



*Harsh Poddar*  
**(Harsh Poddar)**

**Partner**

**Membership No. 301856**

**UDIN: 23301856BGYEAH4511**

**Date: 18.05.2023**

**Place: Kolkata**





**MCNALLY BHARAT EQUIPMENTS LIMITED**  
**U27106WB2008PLC123789**

Standalone Balance Sheet as at March 31, 2023

(Amount in Lakhs unless otherwise stated)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>(1) Non Current assets</b>			
Financial assets:			
(i) Other financial assets	4	15.46	17.63
Non-current tax assets (Net)			
Deferred tax assets (Net)			
<b>Sub-total (1)</b>		<b>15.46</b>	<b>17.63</b>
<b>(2) Current assets</b>			
Financial assets			
(i) Trade Receivables	6	75.75	
(ii) Cash and cash equivalents	7(a)	58.68	106.83
(iii) Other bank balances	7(b)	-	
(iv) Other financial assets	4	84.71	
Current tax assets (Net)	5	3.84	0.24
Other current assets	8	1.75	-
<b>Sub-Total (2)</b>		<b>224.74</b>	<b>107.07</b>
<b>Total assets (1+2)</b>		<b>240.19</b>	<b>124.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>3. Equity</b>			
(a) Equity share capital	3(a)	10.00	10.00
(b) Other equity	3(b)	5.90	-2.47
<b>Total equity</b>		<b>15.90</b>	<b>7.53</b>
<b>Liabilities</b>			
<b>4. Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	9	117.06	117.06
(ii) Other financial liabilities	10	-	-
<b>Sub-total (4)</b>		<b>117.06</b>	<b>117.06</b>
<b>5. Current liabilities</b>			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises	12	62.30	-
(iii) Other financial liabilities	10	32.23	0.12
Other current liabilities	11	12.71	-
<b>Sub-total (5)</b>		<b>107.24</b>	<b>0.12</b>
<b>Total liabilities</b>		<b>224.29</b>	<b>117.18</b>
<b>Total equity and liabilities</b>		<b>240.19</b>	<b>124.71</b>

Significant Accounting Policies &  
Notes on Financial Statements

1  
2 to 27

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

Date: 18/05/2023

Kolkata

UDIN: 23301856 B9Y EAH 4511



*Ashoke Kumar Bose*  
ASHOKE KUMAR BOSE  
(Director)  
DIN: 07288661

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

# MCNALLY BHARAT EQUIPMENTS LIMITED

U27106WB2008PLC123789

## Standalone Statement of Profit and Loss for the period ended 31st March 2023

(Amount in Lakhs unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
I. Revenue from operations	13	130.60	-
II. Other income	14	0.16	2.43
<b>III. Total income</b>		<b>130.76</b>	<b>2.43</b>
<b>IV. Expenses</b>			
Service render cost	15	117.54	
Other Expense	16	2.16	0.51
<b>Total expenses</b>		<b>119.70</b>	<b>0.51</b>
<b>V. Profit/(Loss) before exceptional items and tax</b>		<b>11.06</b>	<b>1.92</b>
Exceptional items			
<b>VI. Profit/(Loss) before tax</b>		<b>11.06</b>	<b>1.92</b>
VII. Income tax expense			
- Current tax		2.69	-
- Earlier tax (Tax Liability Net of Mat credit)		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>2.69</b>	<b>-</b>
<b>VIII. Profit/(Loss) after tax</b>		<b>8.37</b>	<b>1.92</b>
<b>IX. Other comprehensive income/(expense)</b>			
Items that will not be reclassified to statement of profit or loss			
<b>X. Total comprehensive income/(expense)</b>		<b>8.37</b>	<b>1.92</b>
<b>XI. Earnings per share:</b>			
Basic earnings per share (Face value of INR 10 only each)		8.37	1.92
Diluted earnings per share (Face value of INR 10 only each)		8.37	1.92

Significant Accounting Policies &  
Notes on Financial Statements

1  
2 to 27

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: 2301856 BQ YEAM4511

Date: 18/05/2023

Kolkata



*Arhose*

ASHOKE KUMAR BOSE  
(Director)  
DIN: 07288661

*Biswajit Sinha*

BISWAJIT SINHA  
(Director)  
DIN: 07529019



Standalone Statement of Cash Flows for the year ended March 2023

(Amount in Lakhs unless otherwise stated)		
Particulars	Figures for the current reporting period ended March, 2023	Figures for the current reporting period ended March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax	8.37	1.92
Adjustments for:		
Preliminary Expenses, Discount on issue of Share and Debenture		
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>8.37</b>	<b>1.92</b>
Changes in Current Assets and Liabilities	(160.04)	20.51
Increase/(Decrease) in Liabilities for Expenses	107.12	80.01
<b>Operating Profit/(Loss) after Charging Working Capital</b>	<b>(44.55)</b>	<b>102.44</b>
Income Tax paid (Net of Tax Refund received)	3.60	-
<b>Net Cash Flow/(Outflow) from Operating Activities</b>	<b>(48.15)</b>	<b>102.44</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Cash Flow from Investing Activities	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Cash Flow from Financing Activities	-	-
Net increase/(decrease) in Cash and Cash Equivalents	(48.15)	102.44
Cash and Cash Equivalents at the beginning of the year	106.83	4.39
<b>Cash and Cash Equivalents at the end of the year</b>	<b>58.68</b>	<b>106.83</b>

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: 23301856B9YEAH4511  
Kolkata



For McNally Bharat Equipments Limited

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

*Biswajit*  
BISWAJIT SINHA  
(Director)  
DIN: 07529019

Date: 18/05/2023

# MCNALLY BHARAT EQUIPMENTS LIMITED

U27106WB2008PLC123789

## Notes to the Standalone Financial Statements

### **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.

### **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 (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.

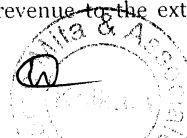
##### **(iii) Revenue from construction contracts**

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.

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



**(iv) Interest Income**

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

**(v) Dividend Income**

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

**(iv) Income from duty drawback**

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

**(c) Impairment of assets**

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

**(d) Cash and Cash Equivalents**

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

**(e) Financial Instruments**

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

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

**(f) Borrowings**

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

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 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.

**(c) Income Tax**

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

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

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

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

**(i) Contributed Equity**

Equity shares are classified as equity

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

**(j) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

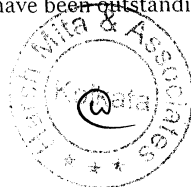
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

**(ii) Diluted earnings per share**

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

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

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



# McNally Bharat Equipments Limited

U27106WB2008PLC123789

## Standalone Statement of changes in equity for the year ended 31 March 2023

### A. Equity share capital

Description	Notes	Amount in Lakhs
As at 1st April, 2022	3(a)	10
Changes in equity share capital		-
As at 31st March, 2023		10

### B. Other equity

Description	Notes	Reserve and surplus	Total other equity(in Rs.)
		(Retained earnings)	
Balance at 1st April 2022	3(b)	(2.47)	(2.47)
Profit for the Quarter		8.37	8.37
Other comprehensive income/(Expense)		-	-
Total comprehensive income/(Expense) for the year		-	-
Dividends paid		-	-
As at 31st March, 2023		5.90	5.90

Description	Notes	Reserve and surplus	Total other equity
		(Retained earnings)	
Balance at 1st April, 2021	3(b)	(4.39)	(4.39)
Profit/(Loss) for the year		1.92	1.92
Other comprehensive income		-	-
Total comprehensive income/(Expense) for the year		1.92	-
Dividends paid		-	-
Balance as at 31st March 2022		(2.47)	(2.47)

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

Date: 18/05/2023

Kolkata

UDIN: 23301856 BGYEAH4511

Ashoke

ASHOKE KUMAR BOSE

(Director)

DIN: 07288661

Biswa

BISWAJIT SINHA

(Director)

DIN: 07529019

## McNally Bharat Equipments Limited

Notes to Standalone Financial Statements for the period ended March 31, 2023

### Note 3: Equity share capital and other equity

(Amount in Lakhs unless otherwise stated)

#### Note 3(a): Equity share capital

##### Authorised equity share capital

Particulars	Number of shares	As at 31st March, 2023	As at 31st March, 2022
100000 Equity Shares of Rs.10/- each	1,00,000	10	10
(Pr.Yr. 100000 Equity shares of Rs.10/- each)			
	1,00,000	10	10

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

Particulars	Number of shares	As at 31st March, 2023	As at 31st March, 2022
100000 Equity Shares of Rs.10/- each	1,00,000	10	10
(Pr.Yr. 100000 Equity shares of Rs.10/- each)			
	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, 2023	As at 31st March, 2022
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, 2023		As at 31st March, 2022	
	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, 2023		As at 31st March, 2022	
	No of Shares	Change	No of Shares	%
McNally Bharat Engineering Company Limited	99,400	-	99,400	-
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 2023 and 31 March 2022

##### Change in shareholding of the Company

There is no change in shareholding.





**McNally Bharat Equipments Limited**

**Notes to Standalone Financial Statements for the period ended March 31, 2023**

**Note 3(b) : Other Equity**

(Amount in Lakhs unless otherwise stated)

Particulars	31st March, 2023	31st March, 2022
<b>Surplus</b>		
Balance as per last account	(2.47)	(4.39)
Add: Current year Profit	8.37	1.92
	<b>5.90</b>	<b>(2.47)</b>
<b>Total Reserves and Surplus</b>	<b>5.90</b>	<b>(2.47)</b>



## McNally Bharat Equipments Limited

Notes to Standalone Financial Statements for the period March 31, 2023

(Amount in Lakhs unless otherwise stated)

Note 4 Other Financial Assets	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security Deposits				
-Against Sales	13.06			
Interest accrued but not due on fixed deposits	0.16			
Recoverable from related parties (refer note 17)	58.44			
Other receivables	13.06	15.46		17.63
<b>Total</b>	<b>84.71</b>	<b>15.46</b>	<b>-</b>	<b>17.63</b>

Note 5 Tax Assets (Net)	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
Tax Deducted at Source [(Net of provision of tax of Rs. 2.40 lakhs (31 March 2022: Nil)]	3.84		0.24	
<b>Total</b>	<b>3.84</b>	<b>-</b>	<b>0.24</b>	<b>-</b>

## Note 6 Trade Receivables

Particulars	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good	75.75			
	<b>75.75</b>			
Of the above, trade receivables from:				
- Related parties (refer note 17)	-			
- Others	75.75			
<b>Total</b>	<b>75.75</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 receivable are due from firms or private companies in which any director is a partner, a director or a member.
- 3) Trade Receivables ageing schedule:



i) As at 31 March 2023

Particulars

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

ii) As at 31 March 2022

Particulars

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





**Note 7 Cash and cash equivalents**

Particulars	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
<b>a. Balances with banks:</b>				
(i) Current account				
AXIS BANK	3.49		106.83	
INDUSIND BANK	10.19		-	
(ii) Deposit account (with original maturity of 3 months or less)	45.00		-	
	58.68		106.83	
<b>b. Other bank balances</b>				
Fixed Deposits with Bank	-		-	

**Note 8 - Other Assets**

Particulars	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
<b>Balances with government authorities</b>				
- Goods and services tax	1.31			
Mat Credit	0.30			
Prepaid Expenses	0.15			
<b>Total</b>	1.75			

**Note 9 - Borrowings**

Particulars	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
<b>Secured</b>		-		-
<b>Unsecured</b>				
Loan from other related parties (refer note no. 17)		2.06		2.06
Loan from other s		115.00		115.00
Loans repayable on demand				
- Bank overdraft				
Total secured and unsecured borrowings	-	117.06		117.06
Add / (Less): Current maturities of non current borrowings	-	-		
<b>Total</b>	-	117.06	-	117.06

**Note 10 - Other Financial Liabilities**

Particulars	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
<b>Measured at Amortised Cost</b>				
Security deposits	11.75	-		-
Retention money	18.81	-		-
Expenses payable	1.67	-	0.12	-
<b>Total</b>	32.23	-	0.12	-

**Note 11 - Other Liabilities**

Particulars	31st March, 2023		31st March, 2022	
	Current	Non-current	Current	Non-current
Statutory dues payable	12.71	-		-
<b>Total</b>	12.71	-	-	-

**Note 12 - Trade Payables**

Particulars	31st March, 2023		31st March, 2022	
	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	62.30	-	-	-
<b>Total</b>	62.30	-	-	-
Of the above, trade payables to:				
- Related parties (refer note 17)	62.30			
- Others				
<b>Total</b>	62.30	-	-	-

**Notes:**

- 1) The company does not have any transactions with MSME Vendors under Micro, Small and Medium Enterprises Development Act, 2006.
- 2) Refer note 21 for exposure to currency and liquidity risks related to trade payables.
- 3) Trade payables ageing schedule:



i) As at 31 March 2023  
Particulars

(i) MSME  
(ii) Others  
(iii) Disputed dues - MSME  
(iv) Disputed dues -Others  
Total

Unbilled	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
-	-	-	-	-	-	-
-	-	62.30	-	-	-	-
-	-	-	-	-	-	-
-	-	62.30	-	-	-	-

ii) As at 31 March 2022  
Particulars

(i) MSME  
(ii) Others  
(iii) Disputed dues - MSME  
(iv) Disputed dues -Others  
Total

Unbilled	Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-



**McNally Bharat Equipments Limited**

**Notes to Standalone Financial Statements for the period March 31,2023**

(Amount in Lakhs unless otherwise stated)

<b>Note 13 Revenue from operations</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
(a) Revenue from Service	130.60	
<b>Total</b>	<b>130.60</b>	<b>-</b>

**Break-up of revenue from operations:**

**a) Disaggregation of revenue based on major customer**

a) Revenue from service

Service Render

-GMDC

130.60

b) Timing of revenue recognition:

Monthly fixed Invoicing

130.60

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

Revenue as per contracted price

130.60

Less: Adjustments -

Sales return, rebates and discounts

-

**Total**

**130.60**

d) Performance obligations

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

<b>Note 14 Other Income</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
(a) Interest from Financial assets	0.16	2.43
<b>Total</b>	<b>0.16</b>	<b>2.43</b>

<b>Note 15 Cost of Service rendered</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
Services Charges Paid	117.54	
<b>Total</b>	<b>117.54</b>	<b>-</b>

<b>Note 16 Other Expenses</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
Auditor's Remuneration (Audit Fees)	0.20	0.06
Bank Charges	0.02	0.02
Misc. Charges	0.11	0.19
Filing Fees	0.53	0.24
P Tax	0.05	
Insurance	0.00	
Rent	1.25	
<b>Total</b>	<b>2.16</b>	<b>0.51</b>





**McNally Bharat Equipments Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

(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, 2023 and 31st March 2022

**a) List of related parties**

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-Trolex (JV) 3. McNally-Trolex-Kilburn (JV)

**b) Details of related Party transactions and Outstanding Balance as on 31.03.2023**

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

**Details of related Party transactions and Outstanding Balance as on 31.03.2022**

Nature of Transactions	Holding Company	McNally-AML (JV)	McNally-Trolex (JV)	McNally-Trolex-Kilburn (JV)
Interest Income	-	0.73	0.92	0.78
Advance Taken (Return)	-	7.72	10.01	5.21
Outstanding as on 31.03.2022 [Receivables / (Payable)]	-2.06	0.66	0.83	0.70

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

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

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

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

**Loans and Advances given by the company**

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

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



#### 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.

#### b) Information about major customer

During the financial year ended 31 March 2023, revenue from services is Rs. 130.60 Lakhs. (31 March 2021: NIL) 100% of revenue from services is derived from one customer)

#### 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 2022: Nil)

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

Nil



20 Financial assets and liabilities

a) Fair value of financial assets and liabilities

	As at 31 March 2023		As at 31 March 2022	
	Carrying Amount	At historical Cost	Carrying Amount	At historical Cost
<b>Financial Assets</b>				
<u>Fair value of financial assets measured at historical cost</u>				
Trade receivables	75.75	75.75	-	-
Cash and cash equivalents	58.68	58.68	106.83	106.83
Other bank balances	-	-	-	-
Other financial assets	84.71	84.71	-	-
<u>Fair value of financial assets measured through Profit and Loss</u>				
Investments	-	-	-	-
<b>Total financial assets</b>	<b>219.14</b>	<b>219.14</b>	<b>106.83</b>	<b>106.83</b>
<b>Financial liabilities</b>				
<u>Fair value of financial liabilities measured at amortised cost</u>				
Trade payables	62.30	62.30	-	-
Other financial liabilities	32.23	32.23	0.12	0.12
<b>Total financial liabilities</b>	<b>94.53</b>	<b>94.53</b>	<b>0.12</b>	<b>0.12</b>

b) Financial assets and liabilities by category

	As at 31 March 2023		As at 31 March 2022	
	FVTPL	At historical Cost	FVTPL	At historical Cost
<b>Financial assets</b>				
Investments	-	-	-	-
Trade receivables	-	75.75	-	-
Cash and cash equivalents	-	58.68	-	106.83
Other bank balances	-	-	-	-
Other financial assets	-	84.71	-	-
<b>Total financial assets</b>	<b>-</b>	<b>219.14</b>	<b>-</b>	<b>106.83</b>
<b>Financial liabilities</b>				
Trade Payables	-	62.30	-	-
Other financial liabilities	-	32.23	-	0.12
<b>Total financial liabilities</b>	<b>-</b>	<b>94.53</b>	<b>-</b>	<b>0.12</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 current transaction between willing parties.

21 Financial risk management

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

i Credit Risk

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

a) Trade Receivables

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

b) Other Financial Instruments

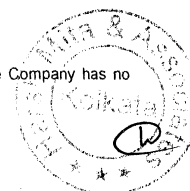
Credit risks from other financial instruments includes mainly cash and cash equivalents, investments and deposits with banks. The Company has no exposure to credit risk relating to its cash and cash equivalents.

ii Liquidity risk

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

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

	Carrying Amount	On demand	0 to 1 year	1 to 3 years	Above 3 years	Total
<b>As at 31 March 2023</b>						
Trade payables	62.30	-	62.30	-	-	62.30
Other financial liabilities	32.23	-	32.23	-	-	32.23
<b>Total</b>	<b>94.53</b>	<b>-</b>	<b>94.53</b>	<b>-</b>	<b>-</b>	<b>94.53</b>
<b>As at 31 March 2022</b>						
Trade payables	-	-	-	-	-	-
Other financial liabilities	0.12	-	0.12	-	-	0.12
<b>Total</b>	<b>0.12</b>	<b>-</b>	<b>0.12</b>	<b>-</b>	<b>-</b>	<b>0.12</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 optimising the overall returns.

### iv) Interest rate risk

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

### v) Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders through the optimization of debt and equity balance. The Company has no outstanding debt. The Board of Directors review the capital structure of the Company on need basis. As part of this review, boards evaluates the leverage in Company and assessment of cost of capital.

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## 22 Analytical ratio

Ratio	Numerator	Denominator	Formula	UoM	As at 31 March 2023	As at 31 March 2022	Variance %	Reason for variance
Current ratio	Current assets	Current liabilities	Current assets/ Current liabilities	Times	2.10	1.06	49.50	Due to increase Sales
Debt-equity ratio	Total debt	Shareholder's Equity	Total debt/ Shareholder's Equity	Times	7.36	15.56	-111.35	Due to increase in Surplus Fund
Debt service coverage ratio	Earnings available for debt service	Finance costs on borrowings	Earnings available for debt service/ Debt Service	Times	-	-	-	NA
Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	Net Profits after taxes /Average Shareholder's Equity	%	52.62	29.24	44.43	Due to increase Sales
Inventory turnover ratio	Sales	Average inventory	Cost of goods sold OR sales/ Average Inventory	Times	-	-	-	-
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	Net Credit Sales/ Average Accounts Receivable	Times	1.72	-	100.00	Due to increase Sales
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	Net Credit Purchases/ Average Trade Payables	Times	1.89	-	100.00	Due to increase in Purchase
Net capital turnover ratio	Net Sales	Working Capital	Net Sales/ Working Capital	Times	1.11	-	100.00	Due to increase Sales
Net profit ratio	Net Profit	Net Sales	Net Profit/ Net Sales	%	6.40	79.17	-1,137.26	Due to increase Sales
Return on capital employed	Profit before interest and taxes	Average Capital Employed	Earning before interest and taxes/ Average Capital Employed	%	69.54	25.21	63.75	Due to increase Sales
Return on investment	Profit on sale of investments+Profit on fair valuation of investment	Current Investment+Non Current Investment	Profit on sale of investments+Profit on fair valuation of investment/Current investment+Non current investment	%	-	-	-	NA

## 23 Additional notes to the financial statements

- The company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- The company do not have any transactions with stuck-off companies
- The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company have not traded or invested in crypto currency or virtual currency during the financial year.
- The company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (intermediaries) with the understanding
- The company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in
- The company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the
- The company has not availed any facilities from banks on the basis of security of current assets.

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

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

26 Impact of COVID 19 - The Management anticipates normalcy of operation in the coming months. Management is constantly reviewing the situation and shall take necessary action based on how the situation evolves. However, as of the reporting date, there is no material impact on the financial statements.

27 The financial statements are approved for issue by the Board of Directors in its meeting held on 18th May 2023