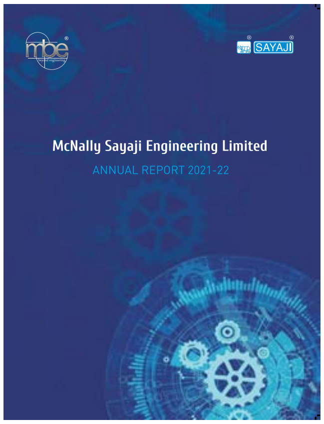
McNally Sayaji Engineering Limited

ANNUAL REPORT 2021-22



This Annual Report is available online at www.mcnallysayaji.com

Between the Covers:

Corporate Information

McNALLY SAYAJI ENGINEERING LIMITED
CIN: L28999WB1943PLC133247

Resolution Professional
CA Jitendra Lohia (IP Registration No. IBBI/IPA/P00170/2017-18/10339)

Board of Directors (suspended during Corporate Insolvency Resolution Process WEF 11.02.2021)
Mr. Aditya Khaitan - Non Executive Non Independent Director
Mrs. Kasturi Roy Choudhury - Non Executive Independent Director
Mr. Nilotpal Roy - Non Executive Independent Director
Mr. Srinivash Singh - Non Executive Non Independent Director
Mr. Aseem Srivastav - Whole Time Director & CEO (Office vacated WEF 20.05.2022)

Chief Operating Officer
Mr. Rajendra Mathur

Chief Financial Officer
Mr. Purajit Roy

Company Secretary
Mr. Saikat Ghosh

Statutory Auditors
M/s V. Singhi & Associates, Chartered Accountants
4, Mangoe lane, 6th Floor
Surendra Mohan Ghosh Sarani
Kolkata- 700001

Registered & Corporate Office
Ecospace, Campus 2B, 11F/12
New Town, Rajarhat
Kolkata - 700160, West Bengal
T: +91 33 4459 1212
E: mse.corp@mbecl.co.in
W: http://www.mcnallysayaji.com/

Registrar & Share Transfer Agent
M/s Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001
T: +91 33 22482248
F: +91 33 2248 4787
E: mdpldc@yahoo.com

Notice

The members are hereby intimated that the National Company Law Tribunal ("NCLT"), Kolkata Bench, vide its order dated 11th February, 2021 ("Insolvency Commencement Order") admitted the application for initiation of Corporate Insolvency Resolution Process ("CIRP") in Company Petition No. CP (IB) 131/ KB/2020 based on the petition filed by ICICI Bank Limited in accordance with Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC 2016"/"the Code"). Pursuant to the said order, CA Jitendra Lohia (IP Registration No. **IBBI/IPA/P00170/2017-18/10339**) initially was appointed as the Interim Resolution Professional (IRP) to manage the affairs of the Company as per the provisions of the Code.

Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was also preferred against the said order passed by the Hon'ble NCLT, Kolkata bench. In accordance with the order of the NCLAT on this appeal, a stay on the constitution of Committee of Creditors ("CoC") was imposed till final order in this matter. The Hon'ble NCLAT finally vide it's order dated 29.11.2021 disposed off the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which approved the appointment of Interim Resolution Professional CA Jitendra Lohia as Resolution Professional(RP). The management of the affairs of the Company has also been vested with the Resolution Professional. Accordingly no resolution pertaining to directors are placed before the shareholders at the Seventy Eighth Annual General Meeting.

The RP invited expression of interest for the Company and subsequently received Resolution Plans from Prospective Resolution Applicants as per the provisions of the Code. Based upon the Resolution Plans submitted by the Prospective Resolution Applicants the Resolution Professional (RP) is in the process of analysing the best option for putting it before the CoC for it's consent and ultimate sanction of the Hon'ble NCLT, Kolkata Bench, as provided under IBC 2016.

NOTICE is hereby given that the Seventy Eighth Annual General Meeting of the Members of McNally Sayaji Engineering Limited will be held on 27th September,2022 at 3:00 p.m IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
    a) the audited Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and the Auditors thereon.
    b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the Report of the Auditors thereon.

Special Business:

2. **Ratification of remuneration payable to the Cost Auditor:**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** in terms of Section 148 of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditor namely, M/s Biswajit & Associates, for conducting Audit

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of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2023,amounting to Rs. 40,000/- (Rupees Forty Thousand Only) the details of which are given in the Explanatory Statement in respect of this item of business, be and is hereby ratified."

By the Order of Resolution Professional
For **McNally Sayaji Engineering Limited**
(Company under Corporate Insolvency Resolution Process)

Place: Kolkata
Date:12th August,2022

Saikat Ghosh
Company Secretary

Notes

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 ,April 13, 2020 , January 13, 2021, May 5,2022 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Pursuant to Section 17 of the IBC, 2016, the powers of the Board of Directors stand suspended during the continuance of the CIRP and the management of the affairs of the Company has also been vested with the Resolution Professional. Moreover, the provisions of Section 238 of the IBC, 2016 override other applicable laws which are in contravention to the provisions of the code.
- The Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to special business set out in the Notice is annexed hereto.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

  However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

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- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to aklabhcs@gmail.com with a copy marked to helpdesk.evoting@cdsl.com.
- The Company is providing the facility of remote electronic voting and also the facility of voting to the Members who are attending the AGM through VC/OAVM and the details are set out in the Annexure I which is forming a part of the notice.
- The voting rights for the shares are one vote per equity share registered in the name of the shareholders/ beneficial owners as of cut-off date of 20thSeptember,2022 .
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The Register of Members and Share Transfer Books of the Company will remain closed from 21st September,2022 to 27th September,2022 (both days inclusive).
- The Register of Directors and Key Managerial Personnel and their shareholding as maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM in electronic mode.
- Members are requested to register their email addresses with the Company or Registrar and Share Transfer Agents of the Company by quoting folio number and name to mse.corp@mbecl.co.in or mdpldc@yahoo.com or with the Depositories, as the case may be, for receiving all communication, including Annual Report, Notices and Documents through e-mail instead of physical copy.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in Annexure I of the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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- The shareholders of the company who had not encashed their Dividend Warrant(s) and on which dividend remained unclaimed for 7 consecutive years was transferred to IEPF in terms of section 124 of the Companies Act, 2013 and the applicable Rules made thereunder.

  Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already transferred such shares which were liable to be transferred in accordance with such rules and in respect of which dividend, has not been claimed, to the Demat Account of the IEPF Authority.

  The company had communicated individually to the concerned shareholders whose shares were liable to be transferred to the Demat Account of IEPF Authority at their last recorded address with the company for taking appropriate action.

  The shareholders whose shares have been transferred to IEPF Authority may claim the shares from the authority by making an application in e form IEPF 5.

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

  (A) Members holding shares in physical mode are:

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

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

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

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

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

  (B) Members holding shares in electronic mode are:

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

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

- SEBI vide its circular dated 25th January.2022 has stated that listed companies shall henceforth issue the securities in dematerialized form only while processing the following service request.

  i. Issue of duplicate securities certificate;

  ii. Claim from Unclaimed Suspense Account;

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iii. Renewal / Exchange of securities certificate;
iv. Endorsement;
v. Sub-division / Splitting of securities certificate;
vi. Consolidation of securities certificates/folios;
vii. Transmission;
viii. Transposition;

In view of the above, the Shareholders holding shares of the Company in physical mode are requested to get their shares dematerialized at an early date.

- The Shareholders are requested to send directly all documents and other communication in relation thereto to the Registrar at their following address:

  M/s Maheshwari Datamatics Pvt. Ltd.
  Unit: McNally Sayaji Engineering Ltd.
  23, R.N Mukherjee Road,5th Floor
  Kolkata – 700001

- In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.mcnallysayaji.com, website of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited at www.msei.com and on the website of Central Depository Services(India) Limited at www.evotingindia.com.

- Members desiring any information as regards the Accounts are requested to write to the Company at least seven days prior to the meeting so as to enable the Management to keep the information ready at the Meeting.

- Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

  Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

ANNEXURE I

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on 23.09.2022 at 9.00 A.M and ends on 26.09.2022 at 5.00 P.M .During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20.09.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders**, **by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular**,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your

	vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <McNally Sayaji Engineering Limited> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address aklabhcs@gmail.com and to the Company at the email address mse.corp@mbecl.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at saikat.ghosh2@mbecl.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at saikat.ghosh2@mbecl.co.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Notice

Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting

Item No. 2

The appointment of M/s. Biswajit & Associates, Cost Accountant as the Cost Auditor to conduct audit of the Cost Accounting records maintained by the Company for the Financial Year 2022-2023 at a remuneration of Rs. 40,000/- (Rupees Forty Thousand Only). plus applicable taxes and re-imbursement of out of pocket expenses was approved by the Resolution Professional at a meeting held with suspended board of directors and key managerial personnel.

In terms of Setion 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors)Rules, 2014, the aforesaid remuneration is required to be ratified by the members.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No.2 of the of the Notice for approval of the remuneration payable to the Cost Auditor of the Company for the financial year ending March 31,2023.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned, financially or otherwise, in this resolution.

By the Order of Resolution Professional
For **McNally Sayaji Engineering Limited**
(Company under Corporate Insolvency Resolution Process)

Place: Kolkata
Date: August 12, 2022

Saikat Ghosh
Company Secretary

Directors' Report

Dear Shareholders,

Your Management takes great pleasure in presenting the Annual Report together with the Audited Financial Statements of your Company for the financial year ended on 31st March, 2022.

Initiation of Corporate Insolvency Resolution Process (CIRP)

The National Company Law Tribunal ("NCLT"), Kolkata Bench, vide its order dated 11th February, 2021 ("Insolvency Commencement Order") admitted the application for initiation of Corporate Insolvency Resolution Process ("CIRP") in Company Petition No. CP (IB) 131/KB/2020 based on the petition filed by ICICI Bank Limited in accordance with Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC 2016"/"the Code"). Pursuant to the said order, CA Jitendra Lohia (IP Registration No. **IBBI/IPA/P00170/ 2017-18/10339**) was appointed as the Interim Resolution Professional (IRP) to manage the affairs of the Company as per the provisions of the Code.

However, before the principal bench of the National Company Law Appellate Tribunal("NCLAT") at New Delhi an appeal was also filed against the said order passed by the Hon'ble NCLT, Kolkata Bench. In accordance with the order of the NCLAT on this appeal, a stay on the constitution of Committee of Creditors ("CoC") was imposed till final order in this matter. The Hon'ble NCLAT finally vide it's order dated 29th November,2021disposed off the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted. At the e-voting for the First Meeting of Committee of Creditors all the necessary resolutions including appointment of Interim Resolution Professional CA Jitendra Lohia as Resolution Professional (RP) by requisite majority were approved.

In terms of Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended on commencement of the CIRP and the same were being exercised by CA Jitendra Lohia initially in the capacity of IRP WEF 11th February, 2021 and later as RP. Accordingly no resolution pertaining to directors are placed before the shareholders at the Seventy Eighth Annual General Meeting.

The Directors' Report & annexure alongwith other accompanying documents has been prepared for the purpose of necessary compliances under the provisions of the Companies Act. 2013, SEBI (LODR) Regulations 2015, Secretarial Standards and other applicable law as may be applicable to the company. However, the provisions of IBC 2016 shall have overriding effect in terms of section 238 of the code for any inconsistency with any of the applicable laws.

Invitation of Resolution Plans by the Resolution Professional

The RP invited expression of interest for the Company and subsequently received Resolution Plans from Prospective Resolution Applicants as per the provisions of the Code. Based upon the Resolution Plans submitted by the Prospective Resolution Applicants the Resolution Professional (RP) is in the process of analysing the best option for putting it before the CoC for it's consent and ultimate sanction of the Hon'ble NCLT, Kolkata Bench, as provided under IBC 2016.

Directors' Report

Financial Highlights

The Company's financial performance for the year ended March 31, 2022 is summarized below:

(Rupees in Lakhs)

	2021-22	2020-21
Revenue from Operations	**15,734**	15,842
Other Income	**352**	217
Total Income	**16,086**	16,059
Finance Costs	**117**	88
Depreciation and amortization expenses	**653**	939
Profit / (Loss) before Tax & Exceptional Items	**(1,071)**	981
Exceptional items	**3,075**	—
Profit / (Loss) before Tax	**(4,146)**	981
Tax Expenses Tax earlier years	**(22)**	—
Profit/ (Loss) after Tax	**(4,124)**	981

COVID-19

When the coronavirus pandemic hit Indian shores in early 2020, the Indian economy was already in a downward spiral, with growth rate slumping to an 11-year low of 3.1 per cent in the March quarter of FY20. The rapidly surging Covid-19 cases forced the government to impose a nationwide lockdown which resulted in India's first recession in FY21 (at -6.6 per cent) after a gap of 40 years.

While the economy was mending its way up, the second wave beginning March 2021 led to loss of many more lives and further deceleration of growth momentum. However, high-frequency data indicates that the Indian economy came out of the Omicron wave in January 2022 with little damage, in stark contrast with the two previous coronavirus waves.

During the first wave, mobility restrictions and supply shortages led to a surge in retail inflation. However, with global economic recovery and hardening commodity prices, both wholesale and retail inflation have remained elevated, putting pressure on the Reserve Bank of India (RBI) to change its accommodative stance to boost growth.

State of Company's Affairs and Review of Operations

The Financial year 2021-22 has been very challenging for your company, especially with the slow down of the overall global business due to breakout Covid 19 pandemic as well as the CIRP having initiated commencing from 11th February, 2021 against your Company. However, the efforts of the management as well as all stakeholders, including employees and workers, your company maintained the business at the same level of last financial year with marginal drop in effective profitability due to increase in input cost.

The total income for the financial year under review was Rs.160.86 crores as against Rs.160.59 crores for the previous financial year. The profit/(loss) before tax was Rs.(10.71) crores (including adjustment of Rs. 19.86 Crores charged against long pending outstanding receivables and advances) as against Rs.9.81

Directors' Report

for the previous financial year. After adjustment of Rs.30.75 crores of Exceptional Items the profit/(loss) after tax was Rs.(41.24) crores as against Rs. 9.81 crores for the previous financial year.

The Company being under CIRP pursuant to provisions of IBC 2016 commencing from 11th February, 2021 Interest expenses on Bank Borrowings and Inter Corporate Deposits as well as Deferred Tax Assets/ Liabilities have not been recognised.

In view of above, members are apprised that your Company registered the Earning Before Interest Depreciation Tax as well as Exceptional Items amounting to Rs.16.85 crores (after adjustment of Rs. 19.86 crores towards long pending outstanding receivables and advances) during financial year 2021-22 as compared to Rs.20.08 crores during previous financial year.

The management has received confirmation from its senior managerial staffs that they had no personal interest in any material, financial and commercial transactions of the Company.

Going Concern Status

The financial statements have been prepared on a going concern basis. The management acknowledge that uncertainty exists in view of commencement of CIRP against the Company. However, in view of the status on the subject, as mentioned earlier, the financial results have been prepared using the going concern basis of accounting.

Material Changes and commitments

No change has taken place in the nature of business of the Company during the year under review. No material changes and commitments affecting the financial position of the Company occurred between the financial year-end i.e. March 31, 2022 and the date of this report.

Dividend

No dividend is recommended for the financial year ended on 31st March, 2022 as the Company is under Corporate Insolvency Resolution Process and do not have adequate profits.

Transfer to Reserves

No amount has been transferred to the General Reserves of your Company at the financial year ended March 31, 2022.

Share Capital

There was no change in the paid share capital of the company during the Year ended March 31, 2022. The paid up equity share of the company stood at 12,589,273 Equity Shares of Rs.10/- each.

Deposits

During the financial year ended March 31, 2022 your Company has not accepted any deposits from the public.

Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March, 2022, 69.97 % of the Company's total paid up capital representing 88,08,473 shares are in dematerialised form. SEBI has prohibited transfer of shares in physical form. In view of numerous

Directors' Report

advantages offered by the depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail the facility of dematerialisation from either of the depositories.

Transfer to Investor Education & Protection Fund

Pursuant to SEBI circular dated April 20, 2018, the Company had sent communications to members whose dividends are unclaimed requesting them to provide/update bank details with the RTA/Company, so that dividends, if any paid by the Company are credited to the investor's account on time.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already transferred such shares which were liable to be transferred in accordance with such rules and in respect of which dividend, has not been claimed, to the Demat Account of the IEPF Authority. The company has communicated individually to the concerned shareholders whose shares were liable to be transferred to the Demat Account of IEPF Authority at their last recorded address with the company for taking appropriate action.

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

The particulars of loans, guarantee or investment made under Section 186 of the Companies Act, 2013 are furnished in the Notes to the Financial Statements for the year ended March 31, 2022.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review as required under the Listing Agreement with the Metropolitan Stock Exchange of India is enclosed to this report as a separate Annexure. Certain statements in this section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

Subsidiaries, Associates and Joint Venture Companies

The salient Features of Financial Statements of the Subsidiary company MBE Coal & Mineral Technology India Pvt Ltd. as per Companies Act, 2013 are as follows:

(All amounts in Rupees lakhs, unless otherwise stated)

Name of Subsidiary Company	MBE Coal & Mineral Technology India Pvt Ltd.
The date since which subsidiary was acquired	30th December, 2015
Reporting Currency	INR
Equity Share Capital	34.93
Other Equity	(244.83)
Total Assets	4789.83
Total Liabilities	4789.83

Directors' Report

Investments	NIL
Revenue from Operations / Total Income	2048.55
Profit Before Taxation	(218.17)
Provision for Taxation	NIL
Profit After Taxation	(218.17)
Other Comprehensive Income	25.06
Total Comprehensive Income	(193.11)
Proposed Dividend	NIL
% of Shareholding	100%

Promoters

McNally Bharat Engineering Company Limited remains the holding company of your company and Williamson Magor & Co. Limited continue to be the remaining Promoter of the Company.

Directors (Suspended) and Key Managerial Personnel

Pursuant to Section 17 of the IBC, 2016, the powers of the Board of Directors stand suspended during the continuance of the CIRP and in consonance with the stipulation contained in Section 28 of the IBC, 2016, any change in the management of the Corporate Debtor shall not be made without prior approval of the Committee of Creditors.

Mr. Niloptal Roy and Mrs.Kasturi Roy Choudhury were appointed by the Board as additional directors at its meeting held on 29.05.2019 which was subsequently approved at the 75th Annual General Meeting and they shall continue as independent directors (Suspended) of the Company for a period of 5 years to hold office till the conclusion of the eightieth Annual General Meeting.

The Independent Directors (Suspended) have submitted their disclosures that they meet the criteria as stipulated in Section 149(6) of the Companies Act, 2013.

The independent directors (Suspended) also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

Pursuant to the provisions of section 203 of the Companies Act, 2013 the Key managerial Personnel of the company as on March 31, 2022 are:

Mr. Aseem Srivastav - Whole Time Director (Suspended) & CEO, Mr. Purajit Roy - Chief Financial Officer and Mr. Saikat Ghosh- Company Secretary. However, having resigned from the services of the company, the office of Mr. Aseem Srivastav as Whole Time Director has been vacated with effect from 20th May,2022 and your company being in CIRP under IBC, 2016, the appointment at the vacant office of Whole Time Director has been kept in abeyance.

Meetings of the Board of Directors

No meeting of the Board of Directors or Committee was held after the commencement of Corporate Insolvency Resolution Process w.e.f. 11th February, 2021.

Directors' Report

However, the Resolution Professional has conducted seven meetings with Directors (suspended) and Key Managerial Personnel of the Company during the financial year 2021-22 to the limited extent for complying with the requirements of law.

The details of the number of meetings held during year form part of the Corporate Governance Report.

Board Evaluation

In pursuance of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules,2014 and SEBI (LODR) Regulations, 2015, the Board had adopted a formal mechanism for evaluating the annual performance of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee.

Consequent to admission of the Company into CIRP and in consonance with the stipulation contained in Section 17 of the Code, the powers of the Board of Directors and/or Board Committees stand suspended and the same are being exercised by the Resolution Professional w.e.f. 11th February, 2021. Hence, no annual performance evaluation was carried out during the year.

The parameters defining such evaluation process are elaborated in the corporate governance report.

Audit Committee

No meeting of the Audit Committee was held after the commencement of Corporate Insolvency Resolution Process w.e.f. 11th February, 2021.

The Audit Committee constituted prior to commencement of such process consisted of Mr. Niloptal Roy, Mrs.Kasturi Roy Choudhury and Mr. Srinivash Singh.

Nomination and Remuneration Committee

No meeting of the Nomination and Remuneration Committee was held after the commencement of Corporate Insolvency Resolution Process w.e.f. 11th February, 2021.

The Nomination and Remuneration Committee constituted prior to commencement of such process consisted of Mr. Nilotpal Roy, Mrs. Kasturi Roy Choudhury and Mr. Srinivash Singh.

The Committee had earlier formulated the following policy relating to the remuneration for the Directors, KMP and other Executives for recommending the same to the Board:

The Compensation Policy for Executive/ Whole Time Directors & Key Managerial Personnel:

Industry Parity & Equity – compensation of the members of the senior management team to be structured as per the trends & practices in companies of similar size in the industry through a benchmarking activity of compensation structures of similar positions in similar companies.

The aims, objectives and principles of remuneration policy are:

1. The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
2. The compensation structure should be simple and not have multiple components.
3. The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

Directors' Report

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

Disclosure of Remuneration

The details of remuneration and information in respect of employees of the Company required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time as required to be disclosed under the provisions of Section 197(12) of the Companies Act, 2013, are given as Annexure forming part of this report.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013 and based on internal financial controls and the reviews performed by the management and with the concurrence of the Audit Committee prior to commencement of CIRP, that for the year ended 31st March, 2022, the confirmation is hereby given for the Company:

a. that in the preparation of the Annual Accounts, for the year ended 31st March, 2022, the applicable Accounting Standards have been followed with proper explanation relating to material departures, if any;

b. that they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of Financial Year and of the profit or loss of the Company for that period;

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

d. that they have prepared the accounts for the Financial Year ended on 31st March, 2022 on a 'Going Concern' basis;

e. that they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

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

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls (IFC) within the meaning of the explanation to section 134(5)(e) of the Companies Act, 2013, to ensure proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliances commensurate with the scale, size and complexity of its operations. The controls based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness was observed. The framework on Internal Financial Control over Financial Reporting has been reviewed by the internal and external auditors. The Audit Committee of the Board has also reviewed the effectiveness of the IFC. In addition, as part of their role,

Directors' Report

the Board and its Committees routinely monitor the material business risks. The management have taken proactive steps in view of the downturn of the infrastructure and core sectors and have also reduced dependence on its holding company who are also facing financial stress. The management has taken adequate steps within their control to ensure that no material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in our internal financial controls during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

Risk Management Policy

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure the executive management controls risk by means of a properly designed framework. The Company regularly monitors the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The risks that are threatening to the existence of the company have been discussed and reviewed by the board from time to time.

Disclosure under sexual harassment act

The company has complied with provisions relating to constitution of internal committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013 and under section 22 of the said act no complaints were received by the company during the year.

Vigil mechanism / whistle blower policy

Pursuant to Section 177 of the Companies Act, 2013 the Company has complied with the laws and the codes of conduct applicable to it and has ensured that the business is conducted with integrity and accordingly the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

Corporate Social Responsibility Committee

The company is not covered by the provisions of section 135 of the Companies Act, 2013. Therefore, disclosures as required by section 135 have been dispensed with. The CSR committee was also discontinued by the board at its meeting held on 29.05.2018.

Corporate Governance

Pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled as "Corporate Governance" is attached to this report as a separate Annexure.

Consolidated Financial Statements

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

Directors' Report

Particulars of contracts or arrangements made with related parties

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

Annual Return

In terms of Section 92(3) of the Companies Act, 2013 the Annual Return for the financial year ended March 31, 2022 is displayed on the website of the company http://mcnallysayaji.com.

Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts and the Board's clarifications regarding the qualified opinions and adverse remarks in Report on Other Legal and Regulatory Requirements of the statutory auditors on the Standalone Financial Statements of the company are as under:

Qualification :

i) The company has been categorized as Non Performing Asset by lender banks. Consequently majority of the lender banks have stopped debiting interest on their debts. The company has not recognised interest expense on bank borrowings and on inter corporate borrowings for the financial years ended 31.03.2020 and 31.03.2021 amounting to Rs.6747 lakhs and Rs.1260 lakhs respectively. The CIRP has since been initiated against the company on and from 11.02.2021 pursuant to the order passed by the National Company Law Tribunal ("NCLT"), Kolkata Bench in the matter of the application filed by one of the lender banks and in the process , based on the claims submitted by the lender banks the claims admitted by the Resolution Professional uploaded in the company's website are Rs.22,018 lakhs in respect of loan facility Rs.1,208 lakhs for uninvoked Bank guarantees (but excluding admitted claims of the financial creditors relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Company had issued a corporate guarantee and created exclusive first charge on the fixed assets of Kumardhubi Unit-1) and Rs.63 lakhs against Inter-Corporate Borrowing claims .Therefore, The amount of claim admitted by the Resolution Professional may be different from the amount reflecting in the financial statements of the company as on 31st March 2022. Pending final outcome of the CIRP, no adjustments have been made in this financial statement for the differential amount, if any.

ii) The company is currently undergoing CIRP under IBC 2016. Based on the management's assessment the standalone financial statements have been prepared on going concern basis.

Statutory Auditors

At the seventy fifth Annual General Meeting of the company V. Singhi & Associates, Chartered Accountants, Kolkata (Firm Registration No 311017E) were appointed as statutory auditors of the company in accordance with provisions of section 139 of the Companies Act,2013 by the members for a term of consecutive five years till the conclusion of the eightieth Annual General Meeting of the company.

Secretarial Audit

In terms of the requirements of Section 204 of the Companies Act, 2013 the Secretarial Audit of the Company for the year ended March 31, 2022, was conducted by M/s MKB & Associates, Company

Directors' Report

Secretaries. The Secretarial Auditors' Report is attached to this Report as an Annexure and forms part of the Report.

Secretarial Standards

The company has devised adequate systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Cost Auditor

The Company is maintaining the accounts and cost records as required under the provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof. M/s Biswajit & Associates has been appointed as Cost Auditors of the Company for the Financial Year 2022-23.

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

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

Cautionary Statement

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

Acknowledgement

The Management place on record their sincere appreciation for significant contribution made by the employees through their dedication, hard work, active involvement and devoted services rendered. The management would also like to thank all the stakeholders, investors including Bankers and other business associates, who have extended their valuable support and encouragement.

This has, understandably, been critical for the Company's success. The Management look forward to their continued support and understanding in the years to come.

for McNally Sayaji Engineering Limited
(Company under Corporate Insolvency Resolution Process)
CA Jitendra Lohia
Resolution Professional (IBBI/IPA/P00170/2017-18/10339)

	Purajit Roy	**Saikat Ghosh**
Place : Kolkata	Chief Financial Officer	Company Secretary
Date: August 12 , 2022	(By the order of Resolution Professional)	

Annexure A

Information under the provisions of Companies (Accounts) Rules, 2014, forming part of the Directors' Report for the year ended March 31, 2022

A. **Conservation of Energy**:

1. **Energy conservation measures taken**

Energy conservation measures taken in the past years and the consumption of energy are monitored on continual basis. Routine steps like strict control and monitoring of usage, good preventive maintenance of machines and equipment like DG Sets, AC units have resulted in optimal usage of electrical parts.

In the area of utilizing alternate source of energy, the company had installed a wind mill at Satapar village near Jamnagar Dist., having 800 KVA capacity which generated 8,21,823 Units out of which captive consumption by the Company was 3,89,184 Units. The Company has also installed a wind mill at village Sadodar near Jamnagar Dist., having 800 KVA capacity which generated 11,03,531 Units. These resulted in revenue income of Rs. 65 lacs during the year.

2. **Additional investment and proposals for reduction of consumption of energy**

There is nothing substantial to report.

B. **Research and Development (R&D)**

1. **Specific areas in which R&D is carried out by the company:**

a) Improvement of sand washing plant
b) Development of low cost filter for sand application
c) Development of 5.2m dia. x 10m long Ball Mill- Design analysis from CMERI
d) Development of Scraper chain conveyor for Apron Feeder.
e) Development of Box Feeder- for FGD
f) Development of Hammer mill 1300 mm diameter & 800 mm wide.
g) Modification of vibrating screen feeder (VSF) 1200 mm wide x 3000 mm long to use in FGD projects.
h) Continuous improvement of existing product line.
i) Developed various Products like 41.KW Unbalanced Motors and upgraded design of Circular and Linear motion screen with slim in design but more reliable. After development 20 nos. equipment orders received so far.
j) Adopted Value analysis and Value engineering to improve feature and save cost.

2. **Benefits derived as a result of the above R&D**

Following are the major benefits from R&D efforts :

a) Improvement resolves to overcome shortcomings of earlier version of the product
b) Scope of securing order is widening
c) Increased sales due to product improvements and introduction of new products.
d) Reduction in cost
e) Achieving customers' satisfaction and new business opportunities

Annexure A

3. Future Plan of Action:

a) Continuous development to minimize overall cost.
b) Exploring substitution of imported equipment and component
c) Exploring means towards easy maintenance of equipment at customer end.
d) Manufacturing of defence equipment
e) Developing manufacturing facility of Bougie Frames for railway engines.
f) Expansion of Research & Developmental activities through initiatives of bringing in advanced technology and associating with academic research bodies globally.

4. Expenditure on R&D:

In pursuit of R&D endeavours, the company is also continually incurring expenditure both under Capital and Revenue heads which has not been separately reflected but is shown as part of regular heads of accounts in Fixed Assets and in Statement of Profit and Loss.

C. Technology Absorption, Adaptation and Innovation:

1. Process/equipment developed by our R & D are being continuously absorbed and adopted on a commercial scale.
2. As a result of above efforts the company has been able to add new equipment, widened its range of products and made its equipment more efficient, cost effective and competitive.

D. Foreign Exchange Earned and Used

Rs. in Lakhs

	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
1) Foreign Exchange Earned	944.91	1605
2) CIF Value of Import	528.84	124
3) Expenditure in Foreign Currency - Travelling & Royalty	0.42	10.5

for McNally Sayaji Engineering Limited
(Company under Corporate Insolvency Resolution Process)
CA Jitendra Lohia
Resolution Professional (IBBI/IPA/P00170/2017-18/10339)

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

(By the order of Resolution Professional)

Place : Kolkata
Date: August 12 , 2022

Annexure B

Management Discussion & Analysis

The last two years have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection, supply-chain disruptions and, more recently, inflation have created particularly challenging times for policy-making. Faced with these challenges, the Government of India's immediate response was a bouquet of safety-nets to cushion the impact on vulnerable sections of society and the business sector. It next pushed through a significant increase in capital expenditure on infrastructure to build back medium-term demand as well as aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion

Operation & Performance

The Company could achieve a turnover of Rs.160.86 crores which is almost identical as compared to the previous financial year. However, the Company's operating margins as well as effective EBIDTA level have been reduced marginally due to increase in input cost, especially steel from the previous year.

Post Covid pandemic, with market getting up, the Company managed to ensure good order booking as well as ambitious responses in new product line.

In spite of natural challenges for the Company under Corporate Resolution Insolveny Process pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 the operation and performance of the Company have potentialities with positive growth.

Challenges

The major challenge of the company continues to be pending resolution of the debts facilities, after the company had been categorized as Non-Performing Asset by the lender Banks followed by admission of the application under section 7 of the Insolvency and Bankruptcy Code, 2016 filed by one of the financial creditors, by the Hon'ble National Company Law Tribunal,(NCLT) Kolkata Bench, vide order dated 11th February, 2021 and initiation of Corporate Insolvency Resolution Process (CIRP) against the Company.

Strategies

The Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016 ("IBC 2016") has been initiated against the company pursuant to the order dated 11.02.2021 passed by Hon'ble NCLT ,Kolkata Bench. Under the above circumstances the company is trying to maintain the smooth operations with the focus keeping high morale amongst the employees and other stakeholders including vendors. Contractors, customers. Under the ambit of provisions in terms of IBC 2016 the company continues its efforts to constantly for growth, increased productivity as well as cost control.

Annexure B

Financial Performance

On standalone basis, total income for the financial year under review (net of taxes and duties) was Rs.160.86 crores (Previous year Rs. 160.59 Crores). Loss before tax and exceptional items, for the year was Rs.10.71 Crores, after adjustment of Rs. 19.86 Crores charged against long pending outstanding receivables and advances (Previous year profit Rs. 9.81 Crores). The loss after tax and adjustments of exceptional items for the financial year under review was Rs.(41.24) Crores as against profit of Rs 9.81 Crores for the previous financial year.

On consolidated basis, total income for the financial year under review (net of taxes and duties) of your Company during the year was Rs.(181.16 Crores) (Previous year Rs. 182.74 Crores). Loss before tax for the year was Rs. (43.65 Crores) (Previous year profit Rs. 6.57 crores). Total loss for the year was Rs.(43.43 Crores) (Previous year total profit was Rs. 6.57 Crores).

Material Development in Human Resources / Industrial Relations

The industrial relations in the company continue to be cordial. Despite difficult situations, the employees have stood by the company. There has been no major industrial unrest or lost work days. The Personnel Department of the company is suitably staffed to take care of its employees and motivate them. Several skill development programs are conducted and the management has regularly exposed its employees to recent changes in legislation, and the changes in ISO standards.

Quality

The Company is conferred ISO-9001 & 9001(2000) recognition. The Company is committed to produce quality products and services to enhance customer satisfaction through the effective application of our Quality Management System, including process for continual improvement.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied due to several factors being attributed including Company's operations, international and domestic economic changes affecting demand/supply positions, finished goods prices, availability of raw material, Government policies, economic development within India and the overseas market within which the Company has business relations and various other incidental factor.

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Report on Corporate Governance

FOR THE YEAR ENDED 31st MARCH, 2022

Your Company's Report containing the details of the Company's policies on Corporate Governance and due compliance report on specific areas wherever applicable for the year ended March 31, 2022 are given hereunder:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is to put in place a system of checks and balances for the benefit of all stakeholders. It rests on the four cornerstones of fairness, transparency, accountability and responsibility. It extends beyond corporate law and encompasses the entire spectrum of functioning of a Company. The Corporate Governance is about commitment to values and integrity in directing the affairs of the Company and it is a collective responsibility of each of the three pillars of an enterprise ie. the board of directors, shareholders and management. The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustains long term value for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it absolutely ethical to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance to be considered as a good corporate citizen of the Country.

The members are apprised that the National Company Law Tribunal ("NCLT"), Kolkata Bench, vide its order dated 11th February, 2021("Insolvency Commencement Order") admitted the application for initiation of Corporate Insolvency Resolution Process ("CIRP") against the company in Company Petition No. CP (IB) 131/KB/2020 filed by ICICI Bank Limited in accordance with Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC 2016"/"the Code"). Pursuant to the said order, Mr. Jitendra Lohia (IP Registration No. IBBI/IPA/P00170/2017-18/10339) was appointed as the Interim Resolution Professional (IRP) to manage the affairs of the Company as per the provisions of the Code.

Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was preferred against the said order passed by the Hon'ble NCLT, Kolkata bench. In accordance with the order of the NCLAT on this appeal, a stay on the constitution of Committee of Creditors ("CoC") was imposed till final order in this matter. The Hon'ble NCLAT finally vide it's order dated 29.11.2021disposed off the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which held it's first meeting on 14.12.2021.At the e-voting for the First Meeting of Committee of Creditors the resolution for appointment of Interim Resolution Professional CA Jitendra Lohia as Resolution Professional (RP) by requisite majority was approved. In terms of Section 17 of the Code, the powers of the Board of Directors of the Company stand suspended on commencement of the CIRP and the same are being exercised by Mr. Jitendra Lohia, the Resolution Professional. The management of the affairs of the Company has also been vested with the Resolution Professional.

The company being under CIRP, is exempted from the provisions of Regulations 17, 18, 19 , 20 and 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015") related to Board of Directors, Audit Committee, Nomination and Remuneration Committee,Stakeholders Relationship Committee and Risk Management Committee respectively. Further, in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the

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Company stand suspended and the same are being vested and exercised by Mr. Jitendra Lohia, Resolution Professional w.e.f. 11th February, 2021.

Board of Directors:

a. Composition of the Board:

The Board of Directors as at the end of the financial year comprised of five members, consisting of two independent directors, two non-executive directors and one whole time director. The independent and non-executive directors comprise of eminent professionals, drawn from amongst persons with experience in business and industry, finance and law. The composition as on 31st march, 2022 was as under:

Name of Directors	Category of Directors	No. of other Directorships held #		No. of other Board Committee(s) of which he/she	
		Public	Private	Is a member	Is a Chairperson
Mr. Aditya Khaitan	Promoter -Non Executive	6	2	2	1
Mr. Srinivash Singh	Promoter-Non Executive	1	1	2	-
Mr. Aseem Srivastav ^	Professional – Executive	1	1	-	-
Mr. Nilotpal Roy	Independent – Non Executive	1	-	-	-
Mrs. Kasturi Roy Choudhury	Independent – Non Executive	1	-	-	-

Excluding Foreign Companies

^ Mr. Aseem Srivastav has since resigned as 'Whole Time Director' & CEO of the company and the office of Mr. Aseem Srivastav as Whole Time Director has been vacated with effect from 20th May,2022 .

The names of listed companies where the existing directors hold directorship, category of directorship are below:

Name of Director	Name of listed entities where directorship is held	Category of directorship
Mr. Aditya Khaitan	Williamson Financial Services Ltd. Mcleod Russel India Limited McNally Bharat Engineering Co Ltd. Kilburn Engineering Ltd. McNally Sayaji Engineering Ltd.	Non Executive Chairman Managing Director & Chairman Non Executive Chairman Non Executive Director Non Executive Director
Mr.Srinivash Singh	McNally Bharat Engineering Co Ltd. McNally Sayaji Engineering Ltd.	Managing Director Non Executive Director
Mr. Nilotpal Roy	McNally Sayaji Engineering Ltd McNally Bharat Engineering Co Ltd.	Non Executive Independent Director Non Executive Independent Director
Mrs. Kasturi Roy Choudhury	McNally Sayaji Engineering Ltd Window Glass Ltd McNally Bharat Engineering Co Ltd.	Non Executive Independent Director Non Executive Independent Director Non Executive Independent Director
Mr. Aseem Srivastav	McNally Sayaji Engineering Ltd	Whole Time Director & CEO

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b. Core Skills, expertise, attributes and competence of the Board

The suspended Board of Directors of McNally Sayaji Engineering Ltd. comprised of qualified members who possessed the required skills, experience, competence and expertise and they effectively contributed to the Board and Committee proceedings during the pre CIRP period. Ensuring the compliance norms and the highest standards of corporate governance is the responsibility of a functioning board.

During the pre CIRP period the list of core skills/expertise/competencies which were identified by the board of directors as required in the context of the company's business and the name of the Directors having the required set of skills/expertise/competencies has been mentioned below:

Name of Director	Wide Management and Leadership experience	Technical/Professional Knowledge & Skills	Functional and Managerial Experience	Sound knowledge and expertise in Financial matters	Expertise in Legal, Governance and Risk Management
Mr. Aditya Khaitan	✓	✓	✓	✓	✓
Mr. Srinivash Singh	✓	✓	✓	✓	✓
Mr. Nilotpal Roy	✓	✓	✓	✓	✓
Mrs. Kasturi Roy Choudhury	✓	✓	✓	✓	✓

1. All independent directors (suspended) have confirmed their independence to the Company. As per confirmations received the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations) and are independent of management.
2. The non-executive directors have no pecuniary relationship or transactions with the Company .
3. None of the directors (suspended) are related to each other in terms of the provision of the Companies Act, 2013.
4. The information as mentioned in Part A Schedule II of the SEBI (LODR) Regulations, is made available to the Board members. The Board periodically reviews compliance reports of all laws applicable to the Company and the steps taken to rectify instances of non-compliance.
5. The Company has adopted the Code of Conduct for the Directors, Senior Management Personnel and other employees of the Company. The Code of Conduct is posted on the website of the Company. A declaration to this effect signed by the Key Managerial Personnel is attached to this report.
6. The number of directorship held in various listed companies and membership held in various Committees are within the permissible limits of the SEBI (LODR) Regulations. The Directors (suspended) have intimated from time to time their membership in the various Committees in other Companies.
7. None of the directors (suspended) of the company hold any shares or convertible instruments of the company.

c. SELECTION OF INDEPENDENT DIRECTORS:

During the pre CIRP period the Nomination and Remuneration Committee only considered eminent people having an independent standing in their respective field / profession, and who could effectively contribute to the Company's business and policy decisions for appointment, as

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Independent Directors on the Board. The Committee, *inter alia*, considered qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considered the Committee's recommendation, and took appropriate decision regarding such appointment.

During the pre CIRP period, every Independent Director, at the first meeting of the Board in which he participated as a Director and thereafter at the first meeting of the Board in every financial year, gave a declaration that he meets the criteria of independence as provided under applicable laws.

At present they continue to give such declarations which are placed before the management meeting convened by the Resolution Professional.

Additionally all independent directors of the company are bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

d. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

In terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,during the pre CIRP period the Company organized familiarization programmes for its Independent Directors with the objective of familiarizing them with the Company, its operations, business model, nature of industry, environment in which it operates and informing them about the roles and responsibilities of Independent Directors.

Before commencement of CIRP the Board members were also provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations were made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

There was no familiarisation programme conducted during the year under review.

The details of previous familiarisation programme imparted to Independent Directors are available at the weblink http://mcnallysayaji.com/manage/policies/

e. DETAILS OF REMUNERATION PAID/PAYABLE TO NON EXECUTIVE DIRECTORS:

The Company had formulated a Remuneration Policy before it came under the purview of CIRP which determined the compensation structure of the Executive/Non Executive Directors. The Remuneration Policy used to be reviewed and the Board remained responsible for approving and overseeing implementation reassessed by the Nomination & Remuneration Committee from time to time of the same.

The Remuneration Policy of the Company is attached to the Director's Report as an Annexure- and is also available at the weblink http://mcnallysayaji.com/manage/policies/.

With Effect From 29.05.2019 the company started paying sitting fees of Rs.20,000/- to the independent directors for attending each board meeting and continued to do so till CIRP commenced. There was no pecuniary relationship or transactions of the company with any of its Non Executive Director.

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f. DETAILS OF REMUNERATION PAID TO THE WHOLE TIME DIRECTOR:

The appointment and remuneration of Executive Directors are governed by the Articles of Association of the Company and the resolutions passed by the shareholders/Board of Directors of the Company. The remuneration payable to Executive Director is determined keeping in view the industry benchmarks, the performance of the Director, the performance of the Company and upon the recommendation of Nomination & Remuneration Committee.

Although the appointment and remuneration of Mr.Aseem Srivastav was approved by the Board of Directors upon recommendation of the Nomination & Remuneration Committee the same could not be place before the shareholders at the 77th Annual General Meeting held on 23rd December, 2021 due to the fact the Corporate Insolvency Resolution Process commenced on 11th February, 2021.

However, the remuneration paid to him was approved by the Committee of Creditors at their meeting held.

The details of remuneration paid to him for the services rendered during 2021-22 are as per the following:

(In Rs. Lakhs)

Particulars	Mr.Aseem Srivastav
Salary	84.05
Performance Bonus	-
Contributions to Provident Fund and other funds	3.39
Perquisites	-
Total remuneration	87.44

Following further details attributable to remuneration of Whole Time Director s are as follows:

Period of Appointment/ Service contract : Mr.Aseem Srivastav was appointed as Whole Time Director on 02.12.2020 and due to resignation his office was vacated with effect from 20.05.2022.

Notice Period : one month prior notice in writing.

Severance Fee : Nil

Stock Option : Nil

g. BOARD MEETINGS AND ATTENDANCE OF DIRECTORS:

No board meetings were held during the year ended 31st March, 2022 since the powers of the Board of Directors and/or Board Committees stand suspended after initiation of Corporate Insolvency Resolution Process w.e.f. 11.02.2021 and the same powers are exercised by and vested with the Resolution Professional. However, 7(Seven) Meetings were called by the Resolution Professional with Directors(suspended) and Key Managerial Personnel during the financial year 2021-22. The dates on which the said meetings were held are as follows:

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10.06.2021	29.06.2021	11.08.2021
17.08.2021	11.11.2021	22.11.2021
	11.02.2022	

The agenda papers along with the explanatory notes for the said meetings were circulated well in advance to the Resolution Professional, Directors(suspended) and Key Managerial Personnel. Due to suspension of the powers of the Board/Committee, every meeting was chaired by the Resolution Professional.

The attendance recorded for each of the Directors at the Management Meetings during the year ended on March 31, 2022 and of the last Annual General Meeting is as under :-

Directors	Number of Management Meetings attended	Attendance at the Last AGM
Mr. Aditya Khaitan	0	No
Mr. Srinivash Singh	2	No
Mr.Aseem Srivastav	7	Yes
Mr. Nilotpal Roy (Chairman)	7	No
Mrs. Kasturi Roy Choudhury	7	Yes

The Company being under CIRP, is exempted from the provisions of Regulations 17, 18, 19, 20 and 21 of SEBI (LODR) Regulations, 2015. However, the Resolution Professional periodically reviews the compliance reports of all laws applicable to the Company.

Code of conduct:

The Code of Conduct of the Company as adopted by the Board of Directors is applicable to all Directors, senior management and employees of the Company. The Code is available on the Company's website www.mcnallysayaji.com .The Code has been duly circulated to all the members of the Board and Senior Management Personnel and the compliance of the same is affirmed by them annually. A declaration to this effect signed by the Key Managerial Personnel of the Company is given hereunder:

Certificate of Compliance of the Code of Conduct of the Company

This is to state that all the Board Members (suspended). and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for Directors and Senior Management Personnel, respectively, in respect of the financial year ended March 31, 2022

for McNally Sayaji Engineering Limited
(Company under Corporate Insolvency Resolution Process)

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

(By the order of Resolution Professional)

Place : Kolkata
Date: August 12 , 2022

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The Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

AUDIT COMMITTEE:

Prior to commencement of CIRP w.e.f. 11.02.2021 the Audit Committee had been constituted by the Board of Directors. The role and terms of reference of the Audit Committee included the areas laid down in Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations. The powers of the Audit Committee are in accordance with Regulation 18 of the SEBI (LODR) Regulations.

The composition of the Audit Committee are as follows:

Name	Designation	Category
Mr. Nilotpal Roy	Chairman	Independent – Non Executive
Mrs. Kasturi Roy Choudhury	Member	Independent – Non Executive
Mr. Srinivash Singh	Member	Non Independent- Non Executive

The powers of the Board of Directors and Committees thereof stand suspended from the date of commencement of CIRP w.e.f. 11.02.2021. Hence, no meeting of Audit Committee was held during the year ended 31.03.2022.

In terms of the SEBI (LODR) Regulations 2015, a company undergoing CIRP is not required to comply with Regulation 18 of the SEBI (LODR) Regulations, 2015 dealing with the requirement of constitution, meetings and terms of reference of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE:

Prior to the commencement of CIRP the Nomination and Remuneration Committee was constituted by the Board of Directors. The role and terms of reference of the Nomination and Remuneration Committee included the areas laid down in Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The composition of the Nomination and Remuneration Committee are as follows:

Name	Designation	Category
Mrs. Kasturi Roy Choudhury	Chairperson	Independent – Non Executive
Mr. Nilotpal Roy	Member	Independent – Non Executive
Mr.Srinivash Singh	Member	Non Independent- Non Executive

The powers of the Board of Directors and Committees thereof stand suspended from the date of commencement of CIRP w.e.f. 11.02.2021. Hence, no meeting of Nomination and Remuneration Committee was held during the year ended 31st March, 2022.

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In terms of the SEBI (LODR) Regulations 2015, a company undergoing CIRP is not required to comply with Regulation 19 of the SEBI (LODR) Regulations, 2015 dealing with the requirement of constitution, meeting and terms of reference of the Nomination and Remuneration Committee.

BROAD CRITERIA FOR EVALUATION OF THE INDEPENDENT DIRECTORS AND THE BOARD

The Nomination and Remuneration Committee prior to the initiation of CIRP had approved the following criteria for evaluation of Independent Directors and the Board in terms of Regulation 34 read Schedule V(C)(4)(d) of the SEBI (LODR) Regulations,2015 :

I. Regular attendance in Board Meetings

II. Participation in discussions and contributions made

III. Expression of independent opinion on various matters taken up by the Board

IV. Adequate knowledge about the Company’s business and the Country’s business and economic scenario.

V. Innovative ideas for growth of the Company and in solving problems faced by the Company.

VI. In case of conflict of interest, prompt in disclosing the same.

VII. Possessing long term vision for growth of the Company

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Prior to commencement of CIRP w.e.f. 11.02.2021 the Stakeholders Relationship Committee had been constituted by the Board of Directors in accordance with the provision of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of SEBI (LODR), Regulations, 2015 to specifically look into various aspect of interest of shareholders.

The Company confirms that there were no share transfers lying / pending as on March 31, 2022 and all requests for dematerialization and re-materialization of shares as on that dates were confirmed/ rejected into the NSDL / CDSL system.

No investor complaint was received during the year and there are no pending complaints as on 31st March, 2022.

The powers of the Board of Directors and Committees thereof stand suspended from the date of commencement of CIRP w.e.f. 11th February , 2021.Hence, no meeting of Stakeholders’ Relationship Committee was held during the year ended 31st March, 2022.

In terms of the SEBI (LODR) Regulations, 2015, a company undergoing CIRP is not required to comply with Regulation 20 of the SEBI (LODR) Regulations, 2015 dealing with the requirements of constitution, minimum members, meetings and role of Stakeholders’ Relationship Committee.

Mr. Saikat Ghosh, Company Secretary acts as compliance officer of the company.

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The composition of the Stakeholders Relationship Committee are as follows:

Name	Designation	Category
Mr. Nilotpal Roy	Chairman	Independent – Non Executive
Mrs. Kasturi Roy Choudhury	Member	Independent – Non Executive
Mr. Srinivash Singh	Member	Non Independent- Non Executive

Meeting of Independent Directors

As the company is undergoing CIRP the powers of the entire Board of Directors including the Independent Directors stands suspended hence no meeting of independent directors took place during the year.

Subsidiary Companies

The Company has one subsidiary, MBE Coal & Mineral Technology India Private Limited which is also a material subsidiary of the Company. The Policy on determining material Subsidiaries is available at the weblink: http://mcnallysayaji.com/manage/policies/.

Disclosures

a. The Company has adopted a policy on dealing with Related Party Transactions and the same is disclosed at the weblink: http://mcnallysayaji.com/manage/policies/.

b. Disclosures on Materially Significant Related Party Transactions having Potential Conflict: There are no Materially Significant Related Party Transactions having Potential Conflict with the interest of the company.

c. Compliance of Laws & Regulations relating to Capital Markets: The company got itself enlisted with the Metropolitan Stock Exchange of India with effect from 17.04.2018. Prior to which it was listed with Delhi Stock Exchange, Vadodara Stock Exchange and Ahmedabad Stock Exchange, which are currently not recognized stock exchanges under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. After getting enlisted with the Metropolitan Stock Exchange of India the Company has complied with all the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the financial year. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during last three financial years.

d. The Company has formulated a Whistle Blower Policy and established a Vigil Mechanism for Directors and Employers and same has been disclosed in the Company’s website. The Management affirms that no personnel has been denied access to the Audit Committee.

e. The management has informed the Board that they are not having any personal interest in material, commercial and financial transactions of the Company that may have potential conflict with the interest of the Company at large.

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f. The CFO have certified, in terms of Regulation 17(8) of the SEBI (LODR) Regulations, to the Resolution Professional that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

g. The Company has issued formal appointment letters to all Independent Directors, appointed prior to the commencement of CIRP, and the terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company.

h. Commodity Price Risk or foreign exchange risk and hedging activities:

The Company has adopted a Risk Management Policy and has laid down procedures for informing the Board members about the risk assessment and minimization procedures.

The management monitors the commodities whose prices are volatile and suitable steps are taken to minimize the risk. During the year, the company had managed the nominal foreign exchange risks and hedged its exposures as it deems appropriate.

Disclosures under SEBI Circular dated 15th November, 2018:

1. Risk management policy with respect to commodities including through hedging: the company had hedged its nominal exposures as it deems appropriate.
2. Exposure to commodity and commodity risks faced by the entity throughout the year:
   a. Total exposure to commodities in INR: Not applicable.
   b. Exposure to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives		
			Domestic market	International market	Total
———Nil———					

   c. Commodity risk faced during the year and how they have been managed: Not applicable.

i. All the mandatory requirements have been appropriately complied with.

Compliance Certificate

Compliance Certificate for Corporate Governance from MKB & Associates, Company Secretaries is given as Annexure to this report.

General Body Meetings

The details of General Meetings held in the last three years are as under:

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Annual General Meeting:

AGM	Date	Venue	Special Resolutions Passed
75th	September 25,2019 at 11.00 A.M	Campus 2B, Ecospace, Premises No. 11F/12 (Plot No. AAII/Blk 3), New Town, Rajarhat, Kolkata – 700160	Approval of shareholders for: 1. Reclassification of the Status of Promoter's shareholding into public shareholding. 2. Approval of shareholders for entering into contract(s) / arrangement(s) / transaction(s) with McNally Bharat Engineering Company Limited upto a maximum amount of Rs. 300 Crores for the financial year 2019-20.
76th	December 21,2020 at 11.00 A.M	Meeting conducted through VC / OAVM pursuant to the MCA Circular	Approval of shareholders for: 1. Continuation of directorship of Mr. Srinivash Singh as Non Executive Non Independent Director in terms of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. 2. Approval of shareholders for entering into contract(s) / arrangement(s) / transaction(s) with McNally Bharat Engineering Company Limited upto a maximum amount of Rs. 200 Crores for the financial year 2019-20.
77th	December 23, 2021 at 3.00 P.M	Meeting conducted through VC / OAVM pursuant to the MCA Circular	*None

*Since the company is undergoing CIRP the Related Party Transactions were approved by the Committee of Creditors at their meeting .

During the year ended 31st March, 2022, no special resolution was passed through Postal Ballot.

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming/ensuing AGM.

Means of Communication:

MEANS OF COMMUNICATION

The quarterly/half yearly/annual financial results of the Company are communicated to the Stock Exchanges immediately after they are considered and approved by the Board of Directors and are published in the prominent newspapers usually in 'Financial Express' in English and in 'Sukhabar' in Bengali.

Detailed presentations, if any, made to institutional investors and financial analysts are sent to the Stock Exchanges.

The Annual Report containing, inter alia, Audited Financial Statements, Directors' Report, Auditors' Report and other important information are circulated to members.

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A separate section namely 'Investor Relations' have been dedicated on the website of the Company http://mcnallysayaji.com where all the above information/details are available. It also displays the official news releases if any. The Company has also designated the following email id exclusively for investor services: saikat.ghosh2@mbecl.co.in.

General Shareholder Information

a. 78th Annual General meeting to be held:

Day, Date, time and venue:

Day	:	Tuesday
Date	:	27th September, 2022
Time	:	3.00 P.M (IST)
Venue	:	Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and May 5, 2022 and SEBI circular dated May 13,2022 and as such there is no requirement to have a venue for the AGM.

a. Financial Year : 1st April to 31st March

First Quarter Results	:	On or before 14th August 2022
Second Quarter Results	:	On or before 14th November 2022
Third Quarter Results	:	On or before 14th February 2023
Audited Yearly Results for the Year ended 31 March, 20223	:	On or before 30th May, 2023

b. Period of Book Closure : 21st September,2022 to 27th September, 2022 (both days inclusive).

c. Listing on Stock Exchanges:

The company's shares got enlisted with Metropolitan Stock Exchange of India, Vibgyor Towers, 4th Floor, Plot No C-62, Bandra Kurla Complex, Bandra (E), Mumbai – 400098**.**The symbol allotted by the said Stock Exchange is MNSEL. The International Securities Identification Number (ISIN) for the Company's shares in dematerialized form is INE105E01011.

The Company has paid the annual listing fees for the financial year 2022-23 to Metropolitan Stock Exchange of India.

Stock Code:Nil , Symbol: MNSEL

d. Market Price Data:

There was no trading in the company's shares at the Stock Exchanges where the shares of the company were listed during the Financial Year 2021-22 and, hence, no share price data is provided.

e. Share Transfer Agents:

The Company has engaged the services of Maheshwari Datamatics Private Limited, 23 R N Mukherjee Road, 5th Floor, Kolkata – 700001, a SEBI registered Registrar, as their Share Transfer Agents for

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processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trading in Company's shares can now be done only in the dematerialized form all requests should be sent directly to Maheshwari Datamatics Private Limited, 23 R N Mukherjee Road, 5th Floor, Kolkata – 700001. Shareholders have the option to open their Accounts with a Depository Participant having connectivity with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

f. Share Transfer System:

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository. The Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date.

As an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25,2022 decided that listed companies shall henceforth issue the securities in dematerialized form only while processing the following service request:

i. Issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal / Exchange of securities certificate;

iv. Endorsement;

v. Sub-division / Splitting of securities certificate;

vi. Consolidation of securities certificates/folios;

vii. Transmission;

viii. Transposition

The activities and compliance related to share transfer & allied activities are managed by M/s. Maheshwari Datamatics Private Limited, Registrar & Transfer Agent (RTA) of the Company. The Company's registrar &Transfer agent processes transfer/transmission/dematerialization/duplicate issue requests etc within statutory time limits.

The Company obtains a yearly certificate from a Practicing Company Secretary on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations.

Reconciliation of Share Capital audit is conducted every quarter by a Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The report is submitted to the stock exchanges and is also placed before the Board of Directors.

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g. Distribution of Shareholding as on March 31, 2022:

No. of Shares	No. of holders	% of total holders	No. of shares	% of total shares
1 to 500	672	85.93	168759	1.34
501 to 1000	55	7.03	48500	0.39
1001 to 2000	20	2.56	31310	0.25
2001 to 3000	3	0.39	6700	0.05
3001 to 4000	5	0.64	18300	0.15
4001 to 5000	5	0.64	24300	0.19
5001 to 10000	6	0.77	39300	0.31
10001 and above	16	2.04	12252104	97.32
Total	782	100.00	12589273	100.00

h. Pattern of Shareholding as on March 31, 2022:

	Category	No. of Holders	No. of Shares	% of total shares
1	Promoter & Promoter Group			
	- Individual/HUF (Indian)	-	-	
	- Bodies Corporate (Indian)	2	79,67,500	63.29
	- Individual/HUF (Foreign)	-	-	
	- Bodies Corporate (Foreign)	-	-	
2	Mutual Funds	-	-	
3	Financial Institutions/Banks*	1	23,37,211	18.57
4	Insurance Companies	-	-	
5	Foreign Institutional Investors	-	-	-
6	Domestic Companies	13	526,683	4.18
7	Foreign Companies	1	1,340,000	10.65
8	Resident Individual	758	330,079	2.62
9	Non Resident Individual	6	25,800	0.20
10	IEPF Authority	1	62,000	0.49
	Total	782	1,25,89,273	100

* 23,37,211 equity shares pledged by holding Company McNally Bharat Engineering Company limited as security for Term Loan from ICICI Bank Limited has been invoked by ICICI Bank Limited and a sum of Re.1 has been adjusted towards the over dues under the said facility availed by the company from ICICI Bank Limited.

Annexure C

i. Dematerialisation of shares:

69.97% representing 8,808,473 shares of the company are held in dematerialised mode while the balance 30.03% representing 3,780,800 shares are held in physical form.

j. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:

There is no outstanding GDRs/ADRs/Warrants at the end of the current financial year.

k. Company's factories are located at following places:

i. Savli Industrial Estate,GIDC,Plot No.75-79B,Post Alindra, Dist Vadodara, Gujarat-391775

ii. Kumardhubi, Dist: Dhanbad, Jharkhand – 828203

iii. Plot No. M 16, ADDA Industrial Area, P.O R.k Mission, Asansol-713305, West Bengal

iv. Plot No.313, Survey No. 72 & 76, 3rd Phase, Malur Industrial Area, Nosigere Taluk, Kolar District,Malur-563130, Karnataka

l. Address of Correspondence:

The Company's Registered Office is situated at : Campus 2B, Ecospace Business Park,
11F/12, Rajarhat, Newtown,Kolkata – 700160 .
Shareholders' correspondence should be addressed to:

McNally Sayaji Engineering Limited:
Campus 2B, Ecospace Business Park,
11F/12, Rajarhat, Newtown,Kolkata – 700160 .
Contact person: Company Secretary
Telephone Nos: +9133 4459 1212
E-mail: mse.corp@mbecl.co.in

Registrar and Share Transfer Agent

Maheshwari Datamatics Private Limited
23 R N Mukherjee Road, 5th Floor, Kolkata – 700001
Contact person: Mr. Ravi Bahl, Compliance Officer
Telephone Nos: +9133 2248 2248 , 2243-5029
Fax No: 2248-4787, E-mail: mdpldc@yahoo.com

m. Certificate from Practising Company Secretary

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has obtained a certificate from Ms. Neha Somani, Practising Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority and such certificate forms part of this report.

n. Fees paid to the Statutory Auditors and network firms for all services

During the year ended 31st March, 2022, the Company has availed the services of the Statutory Auditors and made the following payments together with its subsidiary company:

Annexure C

Services availed	Payment (Rs.)
Statutory Audit for the FY 2021-22	35,50,000

o. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ended 31st March, 2022 :

No. of complaints filed during the financial year	Nil
No. of complaints disposed of during the financial year	Nil
No. of complaints pending as on end of the financial year	Nil

p. Credit Ratings:

No credit rating was obtained by the company during 2021-22.

Compliances

Mandatory Requirements

The The company being under CIRP, is exempted from the provisions of Regulations 17, 18, 19 and 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations, 2015”) related to Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee respectively.

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the Company hereby confirms that it has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:

- Board of Directors : Not Applicable during the CIRP.
- Audit Committee : Not Applicable during the CIRP.
- Nomination and Remuneration Committee : Not Applicable during the CIRP.
- Stakeholder Relationship Committee : Not Applicable during the CIRP.
- Risk Management Committee: Not Applicable to the company.
- Vigil Mechanism.
- Related Party Transactions.
- Corporate Governance requirements with respect to Subsidiary of Company and Annual Secretarial Audit .
- Obligations with respect to Independent Directors : The powers of the Board of Directors stand suspended due to commencement of CIRP.
- Obligations with respect to Directors and Senior Management : The powers of the Board of Directors stand suspended due to commencement of CIRP.
- Other Corporate Governance requirements as stipulated under the Regulations.
- Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

Annexure C

Adoption of non-mandatory requirements under Listing Regulations

The Board :

During the year under review, no expenses were incurred in connection with the office of the Chairman.

Shareholders Rights :

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website www.mcnallysayaji.com. Hence, half yearly performance including summary of the significant events are not individually sent to the Shareholders.

Modified Opinion(s) in Audit Report:

There is no modified opinion in the Auditors' Report for the financial Year ended 31.03.2022.

Separate posts of Chairman and CEO:

The company has separate posts for Chairman and CEO.

Reporting of Internal Auditor:

The internal auditor reports to audit committee.

Disclosure of Loans & Advances by Listed Entity and its Subsidiary

Details of 'Loans and Advances (Being in the nature of loans) provided by the company to firms/companies in which its Directors are interested' are given in the 'Notes to the Financial statements', forming part of the Report and accounts.

for McNally Sayaji Engineering Limited
(Company under Corporate Insolvency Resolution Process)
CA Jitendra Lohia
Resolution Professional (IBBI/IPA/P00170/2017-18/10339)

	Purajit Roy	**Saikat Ghosh**
Place : Kolkata	Chief Financial Officer	Company Secretary
Date: August 12 , 2022	(By the order of Resolution Professional)	

Certificate by Chief Financial Officer

To
CA Jitendra Lohia
Resolution Professional
McNally Sayaji Engineering Limited
(IBBI/IPA/P00170/2017-18/10339)

I, Purajit Roy, Chief Financial Officer of **McNally Sayaji Engineering Limited**, to the best of my knowledge and belief certify that:

a) The financial statements and the Cash Flow Statement for the year ended 31.03.2022 have been reviewed and to the best of my knowledge and belief:

(i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations, other than exceptions, duly disclosed at the appropriate places of the schedules/note on accounts forming part of the annual accounts for the year ended 31.03.2022.

b) To the best of my knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.

c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

d) I have indicated to the auditors:

i) Significant changes in the internal control over financial reporting during the year

ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

Place: Kolkata Purajit Roy
Date: 27.05.2022 Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE OF MCNALLY SAYAJI ENGINEERINGLIMITED

To
The Members,
MCNALLY SAYAJI ENGINEERINGLIMITED

We have examined the compliance of conditions of Corporate Governance by **MCNALLY SAYAJI ENGINEERING LIMITED** (''the Company") for the year ended on 31st March, 2022, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clauses and/or Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge, information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.

The provisions as specified in regulations 17, 18, 19, 20 and 21 of LODR are not applicable to the company as the company is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code.

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

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Neha Somani
Partner
Membership no. 44522
COP no. 17322

Date: 12.08.2022
Place: Kolkata
UDIN: A044522D000790795

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members,
MCNALLY SAYAJI ENGINEERING LIMITED
Campus 2B, Ecospace Business Park
11F/12, Rajarhat, Newtown
Kolkata - 700160
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mcnally Sayaji Engineering Limited** (CIN: L28999WB1943PLC133247) having its Registered office at Campus 2B, Ecospace Business Park, 11F/12, Rajarhat, Newtown, Kolkata – 700160, West Bengal(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities andExchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.**

In our opinion and to the best of our information and according to the verifications [including Directors IdentificationNumber (DIN)] status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on31 March 2022:

Sl. No.	DIN	Name	Designation	Date of appointment
1	00023788	Mr. Aditya Khaitan	Non-Executive Director	11.08.2017
2	00087298	Mr. Nilotpal Roy	Independent Director	25.09.2019
3	00789624	Mr. Srinivash Singh	Non-Executive Director	11.08.2017
4	03178279	Mr. Aseem Krishan-mohan Srivastav	Whole-time Director & CEO	02.12.2020
5	06594917	Ms. Kasturi Roychoudhary	Independent Director	29.05.2019

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on31 March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companiesby the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of themanagement of the Company. Our responsibility is to express an opinion on these based on our verification. Thiscertificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectivenesswith which the management has conducted the affairs of the Company.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Neha Somani
Partner
Membership no. 44522
COP no. 17322

Date: 12.08.2022
Place: Kolkata
UDIN: A044522D000790784

Annexure D

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
MCNALLY SAYAJI ENGINEERING LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MCNALLY SAYAJI ENGINEERING LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The Hon'ble National Company Law Tribunal(NCLT), Kolkata Bench vide order dated 11/02/2021 while admitting section 7 application under Insolvency and Bankruptcy Code,2016 of ICICI Bank Limited, one of the financial creditors, initiated Corporate Insolvency Resolution Process against the Company. CA Jitendra Lohia (IBBI/IPA/P00170/2017-18/10339) was initially appointed as the Interim Resolution Professional (IRP) in the said matter.

An appeal was preferred against the order dated 11/02/2021 passed by the Hon'ble NCLT, Kolkata Bench before the Principal Bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi. Vide order dated 26.02.2021, a stay on the constitution of Committee of Creditors ("CoC") was imposed until disposal of the Appeal. The Hon'ble NCLAT finally vide its order dated 29.11.2021 dismissed of the appeal. Thereafter, the Committee of Creditors (CoC) was constituted which held its first meeting on 14th December 2021 wherein CA Jitendra Lohia, IRP was appointed as the Resolution Professional.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities andExchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

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

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

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the provisions as specified in regulations 17, 18, 19, 20 and 21 are not applicable to the company as the company is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code.

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies, the following laws/acts are also, inter alia, applicable to the Company:

   a) The Environment (Protection) Act, 1986

   b) The Water (Prevention and Control of Pollution)Act, 1974

   c) The Air(Prevention and Control of Pollution) Act, 1981

   d) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

a) Pursuant to Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board of Directors of the Company stand suspended on commencement of the Corporate Insolvency Resolution Process. Further no resolution for retirement of director by rotation and regularization of additional director was placed before the Annual General Meeting of the company held on 23rd December, 2021.

b) All the decisions to manage the affairs of the Company are carried out by the Resolution Professional.

c) As informed by the Resolution Professional (“RP”), certain information including the Minutes of meeting of Committee of Creditors (“CoC”) and the outcome of certain procedures carried out as a part of the CIRP are confidential in nature and cannot be shared. Our verification and/or examination are limited to the extent as mentioned hereinabove.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as **Annexure – I** which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Neha Somani
Partner
Membership no. 44522
COP no. 17322

Date: 12.08.2022
Place: Kolkata
UDIN: A044522D000790762

Annexure – I

To
The Members,
MCNALLY SAYAJI ENGINEERINGLIMITED

Our report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and the Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Neha Somani
Partner
Membership no. 44522
COP no. 17322

Date: 12.08.2022
Place: Kolkata
UDIN: A044522D000790762

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2022

To
The Members,
MBE Coal & Mineral Technology India Private Limited
Ecospace Campus, 2B/11F/12 (Old Plot No. AA II/BLK - 3)
New Town, Rajarhat, Kolkata – 700156
West Bengal, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ***MBE Coal & Mineral Technology India Private Limited*** **(CIN: U27100WB2009PTC137428)** having its Registered Office at Ecospace Campus, 2B/11F/12 (Old Plot No. AA II/BLK-3), New Town, Rajarhat, Kolkata – 700156, West Bengal, India (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) Secretarial Standards as issued by the Institute of Company Secretaries of India;

(iii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

The Company has informed that there are no laws which are specifically applicable to the Company.

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

I further report that:

(a) The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period under review, provisions of the following regulations/guidelines were not applicable to the Company:

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

This report is to be read with my letter of even date which is annexed as Annexure - A which forms an integral part of this report.

(PRAKASH KUMAR SHAW)
Practicing Company Secretary
ACS – 32895 / C.P. No. – 16239
UDIN: A032895D000789387

Place: Kolkata
Dated: August 12, 2022

ANNEXURE – A

To
The Members,
MBE Coal & Mineral Technology India Private Limited

My report of even date is to be read along with this letter.

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. My responsibility is to express an opinion on those records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and the Books of Accounts and decisions taken by the Board of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of the Board and of the members of the Company and of other authorities as per the provisions of various statues as mentioned in my report of even date.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening of events, etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(PRAKASH KUMAR SHAW)
Practicing Company Secretary
ACS – 32895 / C.P. No. – 16239
UDIN: A032895D000789387

Place: Kolkata
Dated: August 12, 2022

Annexure E

Particulars of Employees

Particulars of employees and remuneration pursuant to the provisions of Section 197(12) of the Companies Act, 2013, and Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

(1) (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Executive Director

	Remuneration	Ratio to the median remuneration
Mr. Aseem Srivastav - Whole Time Director & CEO (Office vacated WEF 20.05.2022)	Rs. 87,44,840	20.83:1

Non Executive Directors

	Remuneration	Ratio to the median remuneration
Mr. Nilotal Roy - *Independent Director*	-	-
Mrs. Kasturi Roy Choudhury - *Independent Director*	-	-
Mr. Aditya Khaitan - Non Executive Director	-	-
Mr. Srinivash Singh - *Non Executive Director*	-	-

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	**Designation**	**Percentage Change**
Mr. Aditya Khaitan	Non Executive Director	Nil
Mr. Srinivash Singh	Non Executive Director	Nil
Mr. Aseem Srivastav (Office vacated WEF 20.05.2022)	Whole Time Director & CEO	Nil
Mr. Purajit Roy	Chief Financial Officer	Nil
Mr. Nilotpal Roy	Independent Director	Nil
Mrs. Kasturi Roy Choudhury	Independent Director	Nil
Mr. Saikat Ghosh	Company Secretary	Nil

Annexure E

(iii) The percentage decrease in the median remuneration of employees in the financial year: 3.93

(iv) The number of permanent employees on the rolls of company:271

(v) Average percentile increase/decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase/decrease in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase already made in the salaries of employees in the last financial year (barring KMPs, including CFO & CS) =2.76

Percentile Increase in the managerial remuneration in the last financial year (including CFO & CS) = 23.73%

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

The remuneration paid during the financial year ended March 31, 2022 is in terms of the Remuneration Policy of the Company

for McNally Sayaji Engineering Limited
(Company under Corporate Insolvency Resolution Process)
CA Jitendra Lohia
Resolution Professional (IBBI/IPA/P00170/2017-18/10339)

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

(By the order of Resolution Professional)

Place : Kolkata
Date: August 12 , 2022

Annexure E

Information pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

(Rs. in lakhs)

Name	Designation	Permanent or Contractual	Qualifications	Total Experience	DoJ	Age	Previous Employment & Designation	Remuneration Received
Mr. Purajit Roy	CFO	Contractual	Chartered Accountant	36	15-July-2020	60	Emta Coal Ltd.	70.07
Mr. Rajesh Kumar Singh	Asso. VP	Permanent	B Tech (Mech), MBA	23	26-Aug-2019	43	International Combustion India Ltd.	42.47
Mr. Rajendra Mathur	COO	Permanent	BE	35	04-June-2020	57	Maxmach Equipment Pvt Ltd.	37.01
Mr. Sanjay Kumar	Asso. VP & Unit Head	Permanent	Diploma in Mech Engn	35	08-Mar-2018	58	TRF Ltd.	31.58
Mr. Nirmal Kumar Rout	GM Finance	Permanent	Chartered Accountant	27	18-Oct-2010	52	Swastik Pipes Ltd	22.53
Mr.Rajesh Kumar Sinha	GM Marketing	Permanent	BE Mech	31	23-Oct-1992	54	McNally Bharat Engineering Co Ltd	18.17
Mr. SK Nisarul Haque	GM Engineering	Permanent	M Tech	28	02-Jan-2001	52	F Harley & Co Pvt Ltd.	18.16
Mr. R Balajikanth	Deputy Manager PPC	Permanent	BE	25	28-Jun-2007	47	McNally Bharat Engineering Co Ltd	18.12
Mr.Narendra Kumar Singh	Advisor, Manuufacturing	Contractual	MSc Engg Production	45	05-Sept-2014	67	TRF Ltd.	17.60
Mr.Pritam Patnaik	Senior Manager	Permanent	BE Mech	20	06-Jul-2010	42	MBE Coal & Mineral Technology India Pvt Ltd.	17.57

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Remuneration Policy

1. Preamble

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "**Executives**"). The expression ''senior management'' shall mean officers/ personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/ managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer.

1.2 The policy will be reviewed every year by the Nomination and Remuneration Committee of the Board of Directors.

2. Aims & Objectives

2.1 The aims and objectives of this remuneration policy may be summarized as follows:

2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level and to ensure their long term sustainability.

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

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

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

3. Principles of remuneration

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

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

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

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

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

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

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

4 Nomination and Remuneration Committee

4.1 Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

4.2 The Committee shall be responsible for-

4.2.1 formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;

4.2.2 formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

4.2.3 identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal;

4.2.4 formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

4.2.5 recommending to the Board, all remuneration, in whatever form, payable to senior management;

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4.2.6 recommending whether or not to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

4.2.7 devising a policy on Board diversity

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

4.4.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and

4.4.3 review the terms of executive Directors' service contracts from time to time.

5 Procedure for selection and appointment of the Board Members

5.1 Board membership criteria

5.1.1 The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations

5.1.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

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5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

5.1.4 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

5.1.5 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2 The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board

6. Procedure for selection and appointment of Executives other than Board Members

6.1. The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;

6.2. The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;

6.3. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

6.4. A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;

6.5. Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

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6.6. The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7. Compensation Structure

7.1. Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law. The Non-executive Directors shall also be paid such commission as the Board may approve from time to time subject to the limits prescribed in the Act or Rules made thereunder and approved by the shareholders.

7.2. Remuneration to Executive Directors. Key Managerial Personnel(s) (KMPs) & Senior Management Personnel(s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are not paid sitting fee.

In addition to the basic/fixed salary, benefits, perquisites and allowances, the Company may provide for payment to its MDs/ WTDs, such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the MDs/WTDs would be based on performance as evaluated by the Board or any Committee thereof.

8. Role of Independent Directors

8.1. The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval

8.2. The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management

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and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.

8.3. The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

9. Approval and publication

9.1. This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

9.2. This policy shall be placed on the Company's website.

9.3. Necessary disclosures in respect of the policy shall be made in the Directors Report in the manner stated in the Companies Act, 2013 or any other statute.

10. Supplementary provisions

10.1. This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

10.2. Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.

10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

11. Amendment:

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

12. Effective Date:

This Policy is effective from 1st April, 2019.

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CRITERIA FOR EVALUATION OF THE INDEPENDENT DIRECTORS AND THE BOARD

The Nomination and Remuneration Committee has approved the following criteria for evaluation of Independent Directors and the Board in terms of Regulation 34 read with Schedule V(C)(4)(d) of the SEBI (LODR) Regulations,2015 :

I. Regular attendance in Board Meetings

II. Participation in discussions and contributions made

III. Expression of independent opinion on various matters taken up by the Board

IV. Adequate knowledge about the Company's business and the Country's business and economic scenario.

V. Innovative ideas for growth of the Company and in solving problems faced by the Company.

VI. In case of conflict of interest, prompt in disclosing the same.

VII. Possessing long term vision for growth of the Company

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Form No. AOC-2

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

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

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

   During the Financial year 2021-22, the Company has not entered into any transactions that aren't on an arm's length basis within the purview of the provisions of Section 188 of the Companies Act, 2013.

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

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

   McNally Bharat Engineering Company Limited *(Holding Company)*

   (b) Nature of contracts/arrangements/transactions

   Purchases of goods & services: Rs.1 Lakh

   Sale of products and services: Rs. 65 Lakhs

   (c) Duration of the contracts / arrangements/transactions

   Ongoing

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

   None. The transactions are in the ordinary course of business in the same terms & conditions offered to independent third parties

   (e) Date(s) of approval by the Board, if any:

   Not applicable under the provisions of Section 188

   (f) Amount paid as advances, if any:

   Nil

for McNally Sayaji Engineering Limited
(Company under Corporate Insolvency Resolution Process)
CA Jitendra Lohia
Resolution Professional (IBBI/IPA/P00170/2017-18/10339)

	Purajit Roy	**Saikat Ghosh**
Place : Kolkata	Chief Financial Officer	Company Secretary
Date: August 12 , 2022	(By the order of Resolution Professional)	

INDEPENDENT AUDITOR'S REPORT

To the Members of McNALLYSAYAJI ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

Adverse Opinion

We have audited the accompanying Standalone Financial Statements of McNally Sayaji Engineering Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us because of the significance of the matter described in the Basis for Adverse Opinion section of our Report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and do not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (IndAS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its losses (including Other Comprehensive Income), the changes in equity and its cash flows for the year ended on that date.

Basis for Adverse Opinion

Non-recognition of Interest Expenses

The Company has not recognised interest expense on Bank Borrowings and Inter-Corporate Borrowings amounting to Rs. 6,747 Lakhs and Rs. 1,260 Lakhs respectively upto financial year ended 31st March, 2021 as referred in Note 51 of the Standalone Financial Statements. The CIRP has since been initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks and in the process based on the claims submitted by the lender banks, the claims admitted by the Resolution Professional, uploaded in the Company's website are Rs.22,019 lakhs in respect of loan facility (excluding admitted claims of the financial creditors relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Company had issued a corporate guarantee and created exclusive first charge on the fixed assets of Kumardhubi Unit-1) and Rs.63 lakhs against Inter-Corporate Borrowing claims. As a result, finance costs, liability on account of interest are understated and total comprehensive income for the financial year ended 31st March, 2021 is overstated to that extent.

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

We conducted our audit of the Standalone Financial Statements 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of

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Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Material uncertainty related to Going Concern

We draw attention to Note 48 to the Standalone Financial Statements and Statement of Profit and Loss wherein the Company has reported net lossof Rs.4,124 Lakhs (excluding Other Comprehensive Income) during the year ended 31st March, 2022. The Company is currently undergoing Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 “IBC 2016”. The ability of the company to continue as a going concern is solely dependent on the resolution plan to be approved under the provision of IBC 2016. Based on the management’s assessment of the successful outcome the Financial Statement has been prepared on going concern basis.

Emphasis of Matters

a) We draw attention to Note 47 to the Standalone Financial Statements wherein it has been informed that the Hon’ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Company vide an order dated 11th February, 2021. Pursuant to this order, the powers of the Board of Directors were suspended and are exercisable by CA Jitendra Lohia.Before the principal bench of the National Company Law Appellate Tribunal (“NCLAT”) at New Delhi an appeal was preferred against the said NCLT court order. The Hon’ble NCLAT vide it’s final order dated 29th November,2021 disposed of the appeal by dismissing it.Thereafter, the Committee of Creditors (CoC), at its first meeting held on 14th December,2021, appointed CA Jitendra Lohia as Resolution Professional by the requisite majority through e-voting.

b) **Management’s assessment of impact of COVID-19**

We draw attention to Note 49 to the Standalone Financial Statement which describes the management’s assessment of impact of COVID-19, a global pandemic, on the financial position matters of the Company.

c) **Charges of Exceptional Items**

We draw attention to Note 49 to the Standalone Financial Statement , based on physical verification and fair estimation of Net Realizable Value of non-moving and slow-moving inventories, complete evaluation of such inventories, including physical verifications vis-à-vis fair estimates of Net Realizable Value of some stock items of Raw Material and Work in Progress of Rs. 3,075 Lakhs aggregate has been charged as exceptional item in the Statement.

d) **Recognition of Deferred Tax Assets**

We draw attention to Note 16 and Note 56 to the Standalone Financial Statement stating that the Company had recognised deferred tax assets of Rs. 5,397 Lakhs upto 31st March, 2019 expecting adequate future taxable profits to the Company against which the deferred tax assets can be realised, which is solely dependent on the acceptance of the debt restructuring proposal. However, the

INDEPENDENT AUDITOR'S REPORT

Company has not recognised further deferred tax assets for the year ended 2020 and 2021 as well as for the preceding years on prudent basis.

e) **Corporate Guarantee issued by the Company**

We draw attention to Note 52 to the Standalone Financial Statement regarding corporate guarantee issued by the Company in favour of the lender banks of the Parent Company, McNally Bharat Engineering Company Limited (MBECL) to the extent of value of fixed assets at Kumardubi Unit-1 having a book value of Rs. 457Lakhs as on31st March, 2022. Pending the confirmation of the resolution process initiated against the Company under the Insolvency and Bankruptcy Code, 2016, no provision against the admitted claims of the lender banks of the Parent Company have been made in the Financial Statements of the company.

f) **Non recognition of liability**

We draw attention to Note 36 to the Standalone Financial statement regarding the put option agreement entered by the Parent Company with EIG (Mauritius) Limited, of which the Company is also a part. The investor submitted its request for Arbitration to the International Chamber of Commerce Court, Singapore against the Parent Company and the Holding Company as Respondent No. 1 and Respondent No. 2 respectively. The Arbitrator issued a dissenting opinion requiring the respondents to pay damages amounting to Rs. 18,841 lakhs (including interest) and legal cost. The award was challenged in the High Court of the Republic of Singapore but the matter was dismissed in favour of EIG (Mauritius) Limited. The claim submitted by EIG (Mauritius) Limited under the Insolvency & Bankruptcy Code 2016 amounting to Rs. 18,111 lakhs has not been admitted by the Resolution Professional.

g) **Non-adjustment of the Carrying Value of the Loan**

We draw attention to Note 21 to the Financial Statement regarding invocation of pledge over 23,37,211 Equity Shares of the Company held by the Parent Company, McNally Bharat Engineering Company Limited by the Lender Bank i.e. ICICI Bank Limited as per their letter dated 27th November, 2020 at a value of Re. 1/- against the Term Loan facility availed by the Company. The Company has objected to such invocation by the Bank vide its Letter dated 15th December, 2020 and not made any adjustment to the carrying value of the Term Loan availed by the Company.

h) **Non-Adjustment of the Long Outstanding Balances**

We draw attention to Note 50 to the Standalone Financial Statement regarding prospects of reliability of long pending outstanding receivables towards sales/services rendered as well as advances to vendors contractors, expected credit losses aggregating to Rs. 1,986 lakhs have been considered and charged under the head "Other Expenses" in the statement of financial results of the Company.

i) **Impairment in the value of Investment**

We draw attention to Note 53 to the Standalone Financial Statement regarding the wholly owned subsidiary namely "MBE COAL & MINERAL TECHNOLOGY INDIA PVT. LTD." whose net worth has been fully eroded resulting in consequential impairment in the value of investment of the Company as on the date of the Financial Results under review. However, in view of established brand value of

INDEPENDENT AUDITOR'S REPORT

its products and potential business prospects of the subsidiary as well as the company undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, the impairment to the investment by the company has not been recognized in the Financial results of the Company.

j) **Current Liabilities and Cash and Cash Equivalent**

We draw attention to Note 54 to the Standalone Financial Statement regarding the Company's operation with DBS Bank carried out through the Cash Credit Account which was frozen at outstanding dues of Rs. 1,219 lakhs in earlier years and recognized as Borrowings under 'Current Liabilities'. The realization of Rs. 391 lakhs thereafter in the said account was accounted for and shown as Cash and Cash Equivalent under Current Assets. Similarly,the outstanding balances as on the date of the commencement of CIRP (11th February, 2021) in other banks' Cash Credit Accounts were also been frozen and subsequent reduction in the outstanding balances in these Cash Credit Accounts aggregating to Rs 26 Lakhs (including Rs 6 Lakhs pertaining to earlier year) as on 31st March, 2022 have been included in Cash & Cash Equivalents under 'Current Assets' so as to reflect the Borrowings under 'Current Liabilities' at the frozen outstanding Cash Credit balance as of 11th February, 2022 i.e. the date of COC Meeting.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of utmost significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section and Emphasis of Matters section of our report, we have determined the matters described below to be the key audit matters to be communicated in our Report.

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

In the view of ongoing Corporate Insolvency Resolution Process (CIRP), the Resolution Professional (RP) is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Management's Report including Annexures to Management's Report, Corporate Governance and Shareholders Information but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information 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.

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

Sr. No.	Key Audit Matters	Auditor's Response to Key Audit Matters
1	**Revenue Recognition** (Refer note 1(d) to the Standalone Financial Statements) Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	Our audit approach was a combination of test of internal controls and substantive procedures which includes the following: ● Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. ● Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. ● Evaluating the design and implementation of Company's controls in respect of revenue recognition. ● Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the relevant period.

Responsibilities of Managementand Those Charged with Governance for the Standalone Financial Statements

In view of ongoing Corporate Insolvency Resolution Process ('CIRP'), the Resolution Professional (RP) is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively

INDEPENDENT AUDITOR'S REPORT

for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors (Suspended) and Management under the direction of Resolution Professional isalso responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

INDEPENDENT AUDITOR'S REPORT

If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 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 of Financial Statements;
   b) except for the possible effects of the matter described in the Basis for Adverse Opinion Section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and returns;

INDEPENDENT AUDITOR'S REPORT

c) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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

e) on the basis of the written representations received from the directors of the Company as on 31st March, 2022 and taken on record by the Resolution Professional, 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. However in the view of corporate resolution process ("CIRP") from 11th February, 2021, the powers of Board of Directors stand suspended as per section 17 of the code and such powers are exercised by the Resolution Professional during the year;

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, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the requirements of Section 197 of the Act.

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

   i. except for the possible effect of the matter described in the Basis for Adverse Opinion section above, the Company has disclosed the impact of pending litigations on its financial position in the Standalone Financial Statements (Refer Note 36 to the Standalone Financial Statements).

   ii. the Company did not have any long-term contract including derivative contract for which there were any material foreseeable losses

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

(c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances , nothing has come to our notice that has caused to us believe that the representations under sub-clause (a) or (b) contain any material misstatement.

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

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

(D. Pal Choudhury)
Partner
Membership No. 016830
UDIN:22016830AJTVME8592

Place: Kolkata
Date:27th May,2022

Annexure A to the Independent Auditor's Report

Referred to in Paragraph-1 on Other Legal and Regulatory Requirements of our Report of even date to the members of McNally Sayaji Engineering Limitedon the Standalone Financial Statements for the year ended 31st March, 2022

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant & Equipment.

(B) The Company has maintained proper records showing full particulars of its Intangible Assets.

(b) The Property, Plant and Equipment (excluding Right to Use) of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) Based on our examination of the property tax receipts and registered sale deed of the Company, we Report that, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company except for the following:

Description of Property	Gross Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter director/ or employee of promoter/director	Property held since date (Financial Year)	Reason for not being held in the name of the company
Freehold land measuring 10.20 acres located at Kumardhubi disclosed as fixed asset in the Standalone Financial Statements	256.16 Lakhs	Title deeds are in the name of erstwhile Company	Promoter	30th November, 1988	The title deeds are in the name of McNally Bird Engineering Company Limited, which was renamed as McNally Bharat Engineering Company Limited with effect from 13th December, 1972. The product division of McNally Bharat engineering Company Limited was demerged in terms of the approval of the Hon'able Calcutta High Court on 28th July, 2009.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Property, Plant & Equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

Description of Property	Gross Carrying Value	Title deed held in the name of	Whether title deed holder is a promoter director/ or employee of promoter/director	Property held since date (Financial Year)	Reason for not being held in the name of the company
Leasehold land measuring 17.82 acres located at Kumardhubi disclosed as fixed asset in the Standalone Financial Statements	421.24	Title deeds are in the name of erstwhile Company	Promoter	13th December, 1972	The title deeds are in the name of McNally Bird Engineering Company Limited which was renamed as McNally Bharat Engineering Company Limited with effect from 13th December, 1972. The product division of McNally Bharat engineering Company Limited was demerged in terms of the approval of the Hon'able Calcutta High Court on 28th July, 2009
Leasehold land measuring 5 acres located at Asansol disclosed as fixed asset in the Standalone Financial Statements	330.06	Title deeds are in the name of erstwhile Company	Promoter	13th December, 1972	The title deeds are in the name of McNally Bharat Engineering Company Limited. The product division of McNally Bharat Engineering Company Limited was demerged in terms of the approval of the Hon'ble Calcutta High Court on 28th July, 2009.

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

(e) No proceedings 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 there under.

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

(b) As disclosed in Note 51of the financial statements, the Company has been sanctioned working capital limit in excess of Rupees Five crores in aggregate from bank which are secured on the basis of security of current assets and all the loans taken by company fall under Non-Performing-Assets, So the Company has not filed quarterly returns with the banks.

(ii) During the year the Company has not granted any loans, secured or unsecured, to any companies, firms, limited liability partnerships or other parties covered in register maintained under Section 189 of the Act. Accordingly, clause 3(iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable.

(iii) The Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, tothe extent as applicable.

(iv) The Company has not accepted any deposits or amounts deemed to be deposits from the public during the year within the meaning of directives issued by the Reserve Bank of India under sections 73 to 76 of the Act and the rules framed there under to the extent notified.Accordingly, clause 3(v) of the Order is not applicable.

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

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

(a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Custom Duty, Value Added Tax, Goods and Services Tax, Cess and any other statutory dues applicable to it. There are no undisputed amounts payable in respect of the same which were in arrears as on 31st March, 2022, for a period of more than six months from the date the same became payable except for the following:

Name of the Statute	Nature of the dues	Amount in (Rs.)	Period to which the amount relates (Financial Year)
Income Tax Act, 1961	TDS U/s 194C	9,722	2020-21
	TDS U/s 194 J	4,980	2020-21
	TDS U/s 194I	22,702	2020-21
Employees Provident Fund Act, 1952	Provident Fund	14,718	2020-21
		2,92,970	2021-22

(b) According to the records of the Company the dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Name of the statute	Nature of the Dues	Forum where the dispute is pending	Period to which the amount relates	Amount (in Lakhs)
Income Tax Act, 1961	**Income Tax**	CIT Appeal	2011-12, 2012-13	30.37
		ITAT	2006-07 to 2010-11, 2012-13	582.01
The Central Excise Act, 1944	**Excise Duty**	Assistant Commissioner, Dhanbad	1996-97	29.19
		Commissioner, Bolpur	2014-15 to June 2017	664.78
The Finance Act, 1994	**Service Tax**	Commissioner, Bolpur	2013-14 to June 2017	51.11
		CESTAT, Kolkata	2011-12,2012-13	94.75
		Principal Commissioner, GST, Ranchi	2012-13, 2015-16	2239.14
The CGST Act, 2017	**Goods and Service Tax**	Assistant Commissioner, Dhanbad	2017-2020	30.46
The Central Sales Tax Act, 1958	**Sales Tax**	Deputy Commissioner, Chirkunda	2015-16	113.54
		Joint Commissioner, Dhanbad	2008-13, 2016-18	2311.61
		West Bengal Taxation Tribunal, Kolkata	2007-09, 2011-12, 2014-18	1460.29
		Commissioner of Commercial Taxes, Ranchi	2006-08, 2013-15	443.14
West Bengal Value Added Tax Act, 2005	**VAT**	Deputy Commissioner, Chirkunda	2005-06, 2010-11	246.03
		West Bengal Taxation Tribunal, Kolkata	2007-09, 2011-12	21.66
Jharkhand Value added Tax Act, 2005		Joint Commissioner of Commercial Tax, Dhanbad	2008-13, 2016-18	520.77
		Commissioner of Commercial Taxes, Ranchi	2007-08, 2014-15	21.07

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

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

Nature of borrowing including debt securities	Name of Lender	Amount not paid on due date		No. of days of delay or unpaid(till 31st March,2021)		Remarks, if any
		Principal	Interest	Principal	Interest	In CoC Meeting, the bank has approved the resolution plan submitted by the investors. As per the plan the period of default (Principal and Interest) is considered till 31stMarch, 2021. [Refer Note 51 to the Financial Statements]
Term Loan from Banks	ICICI Bank	2,500	1,125	654	791	
	DBS Bank	852	274	912	883	
Working Capital Loan from Banks	ICICI Bank	3,900	1,010	791	671	
	DBS Bank	1,219	426	822	822	
	IDBI Bank	1,500	708	883	790	
	State Bank of India	3,544	1,974	610	610	
	Kotak Mahindra Bank	2,068	868	822	702	

(ii) The Company has also defaulted in repayment of loans (including interest) to other lenders as provided below:

Nature of borrowing including debt securities	Name of Lender	Amount not paid on due date		No. of days of delay or unpaid(till 31st March,2021)		Remarks, if any
		Principal	Interest	Principal	Interest	The Company is under CIRP and these lenders have not lodged the claim to the Resolution Professional. [Refer Note 47 to the Financial Statement]
Inter Corporate Deposits	Other Lenders	4,924	1,326	732	732	

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

b) The Company hasnot been declared wilful defaulter by any bank or financial institution or other Lender.

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

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used for long-term purposes by the Company.

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

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

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

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

xi. (a) Based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no material case of frauds by the Company or on the Company has been noticed or reported during the year.

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

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

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

xiii. According to the information and explanations given to us and based on our examination of the books and records, in our opinion all 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 Indian Accounting Standards.

xiv. (a) According to the information and explanations given to us and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit Reports issued to company during the year and covering the period upto 31st December, 2021.

xv. The Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with directors during the year. Accordingly, Clause 3(xv) of the Order is not applicable.

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

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Direction, 2016) and accordingly, reporting under clause 3(xvi)(d) of the order is not applicable.

xvii. Based on the examination of record, the Company has incurred cash losses of Rs3,471in the financial year 2021-22 and Nil in the immediately preceding financial year.

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

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Based on the examination of records of the Company and according to the information and explanations given to us, due to lossesincurred, the conditions and requirements of section 135 of the act is not applicable to the company. Hence, paragraph3(xx) (a) and (xx) (b) of the Order is not applicable.

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

(D. Pal Choudhury)
Partner
Membership No. 016830
UDIN:22016830AJTVME8592

Place: Kolkata
Date:27th May,2022

Annexure B to the Independent Auditor's Report

Referred to in Paragraph 2(h) on Other Legal and Regulatory Requirements of our Report of even date to the members of McNally Sayaji Engineering Limited on the Standalone Financial Statements for the year ended 31st March, 2022

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

In connection with our audit of the Standalone Financial Statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to standalone financial statements of McNally Sayaji Engineering Limited ("the Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2022 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

(D. Pal Choudhury)
Partner
Membership No. 016830
UDIN: 22016830AJTVME8592

Place: Kolkata
Date:27th May,2022

Standalone Balance Sheet as at 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	11,596	12,198
Capital Work-in-Progress	4	-	1
Investment Properties	5	355	358
Intangible Assets	6	4	4
Financial Assets			
Investments	7	2,700	2,700
Trade Receivables	8	767	450
Other Financial Assets	11	271	140
Deferred Tax Assets (Net)	16	5,397	5,397
Other Non-current Assets	12	128	140
Total Non-Current Assets		**21,218**	**21,388**
Current Assets			
Inventories	13	5,040	8,358
Financial Assets			
Trade Receivables	8	6,136	7,051
Cash and Cash Equivalents	9	1,974	1,888
Bank Balances Other than Cash and Cash Equivalents	10	111	235
Other Financial Assets	11	34	34
Current Tax Assets (Net)	15	55	118
Other Current Assets	14	2,318	2,053
Total Current Assets		**15,668**	**19,737**
Total Assets		**36,886**	**41,125**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,259	1,259
Other Equity			
Reserves and Surplus	18	3,907	8,022
Total Equity		**5,166**	**9,281**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	20	169	182
Trade Payables	22		
A. Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
B. Total Oustanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		-	-
Employee Benefit Obligations	24	345	384
Total Non-Current Liabilities		**514**	**566**
Current Liabilities			
Financial Liabilities			
Borrowings	19	17,155	17,155
Lease Liabilities	20	42	40
Trade Payables	22		
A. Total Outstanding Dues of Micro Enterprises and Small Enterprises		337	212
B. Total Oustanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		5,081	4,624
Other Financial Liabilities	21	4,294	4,571
Provisions	23	53	54
Employee Benefit Obligations	24	71	73
Other Current Liabilities	25	4,173	4,549
Total Current Liabilities		**31,206**	**31,278**
Total Liabilities		**31,720**	**31,844**
Total Equity and Liabilities		**36,886**	**41,125**

Significant Accounting Policies 1&2

The accompanying notes 1 to 61 form an integral part of the Standalone Financial Statement

As Per our report of even date

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

For McNally Sayaji Engineering Ltd

(D.Pal Choudhury)
Partner
Membership No: 016830

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

Place : Kolkata
Date : 27th May 2022
UDIN :22016830AJTVME8592

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
Revenue From Operations	27	15,734	15,842
Other Income	28	352	217
Total Income		**16,086**	**16,059**
Expenses			
Cost of Materials Consumed	29	8,716	7,016
Changes in Inventories of Work-in-progress and Finished Goods	30	(208)	1,367
Employee Benefit Expenses	31	2,440	2,442
Finance Cost	34	117	88
Depreciation and Amortisation Expense	32	653	939
Other Expenses	33	5,439	3,226
Total Expenses		**17,156**	**15,078**
Profit/(Loss) before Tax and Exceptional items		**(1,071)**	**981**
Exceptional Items (Refer Note No 49)		**(3,075)**	**-**
Profit/(Loss) before Tax		**(4,146)**	**981**
Income Tax Expenses	35		
- Current Tax		-	-
- Tax for Earlier year		**(22)**	-
- Deferred Tax		-	-
Profit/(Loss) for the Year		**(4,124)**	**981**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		10	2
Income Tax relating to the item	35	-	(1)
Other Comprehensive Income for the year, net of Tax		10	1
Total Comprehensive Income for the year		**(4,114)**	**982**
Earnings per share (Face Value Rs 10/- each):	41		
- Basic		(32.76)	7.79
- Diluted		(32.76)	7.79

Significant Accounting Policies 1&2

The accompanying notes 1 to 61 form an integral part of the Standalone Financial Statement
As Per our report of even date

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

For McNally Sayaji Engineering Ltd

(D.Pal Choudhury)
Partner
Membership No: 016830

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

Place : Kolkata
Date : 27th May 2022
UDIN :22016830AJTVME8592

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Standalone Statement of Changes in Equity for the year ended 31st March, 2022

Equity Share Capital

(All amounts are in Rs lakhs, unless otherwise stated)

	Notes	Amount
As at 1st April 2020	17	1,259
As at 31st March 2021	17	1,259
As at 31st March 2022	17	1,259

Other Equity

	Reserve and Surplus				Total
	Security Premium Reserve	General Reserve	Retained Earnings	Capital Reserve	
Balance as at 1st April, 2020	5,712	1,465	(8,252)	8,115	7,040
Profit/(Loss) for the year	-	-	981	-	981
Other Comprehensive Income	-	-	1	-	1
Total Comprehensive Income for the Year	-	-	982	-	982
Balance as at 31st March, 2021	5,712	1,465	(7,270)	8,115	8,022
Profit/(Loss) for the year	-	-	(4,124)	-	(4,124)
Other Comprehensive Income	-	-	10	-	10
Total Comprehensive Income for the Year	**-**	**-**	**(4,114)**	**-**	**(4,114)**
Balance as at 31st March, 2022	5,712	1,465	(11,384)	8,115	3,907

The above Standalone statement of Changes in Equity should be read in conjuction with the accompanying notes from 1 to 61.
This is the standalone statement of Changes in Equity referred to in our Report of even date.

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

For McNally Sayaji Engineering Ltd

(D.Pal Choudhury)
Partner
Membership No: 016830

Purajit Roy
Chief Financial Officer

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Place : Kolkata
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CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

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

(All amounts are in Rs lakhs, unless otherwise stated)

	Year Ended 31 Mar 2022	Year Ended 31 Mar 2021
Cash flow from operating activities		
Profit/(Loss) before Tax	**(4,146)**	**981**
Adjustments for :-		
Depreciation and Amortisation Expense	653	939
Interest Income	(31)	(24)
Finance Costs	117	88
Allowance for Doubtful Debts - Trade Receivables / Other Assets	1,720	151
Advances written off	266	-
Liabilities no longer required written back	(217)	(99)
Provision no longer required written back	(1)	(26)
Net exchange Differences	(12)	(2)
Cash flow from operating activities before change in operating assets and liabilities	**(1,651)**	**2,008**
Decrease / (Increase) in trade Receivables and Other Assets	(1,616)	619
Decrease / (Increase) in inventories	3,318	1,459
Increase / (Decrease) in Trade & Other Payables	202	(1,636)
Increase / (Decrease) in Employee benefit obligations	(89)	12
Cash generated from operations	**164**	**2,462**
Income taxes (paid) / received	85	(60)
Net cash inflow from operating activities	**249**	**2,402**
Cash flows from investing activities		
Purchase of property, plant and equipment	(47)	(58)
Interest received	31	24
Fixed Deposit Matured	(19)	(76)
Net cash inflow (outflow) from investing activities	**(35)**	**(110)**
Cash flows from financing activities		
Repayment of Borrowings (Including Lease Obligation)	(11)	(11)
Interest paid	(117)	(88)
Net increase (decrease) in Cash Credit Facilities including WCDL	-	(807)
Net cash outflow from financing activities	**(128)**	**(906)**
Net increase (decrease) in cash and cash equivalents	**86**	**1,386**
Cash and cash equivalents at opening of the year	1,888	502
Cash and cash equivalents at end of the year	1,974	1,888
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following	**31st Mar 22**	**31st Mar 21**
Cash and cash equivalents	1,974	1,888
Balances per Statement of Cash Flows	1,974	1,888

Significant Accounting Policies 1&2

The accompanying notes 1 to 61 form an integral part of the Standalone Financial Statement
As Per our report of even date

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

For McNally Sayaji Engineering Ltd

(D.Pal Choudhury)
Partner
Membership No: 016830

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Chief Financial Officer

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Place : Kolkata
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UDIN : 22016830AJTVME8592

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 1: Significant Accounting Policies

Corporate Information

McNally Sayaji Engineering Limited (MSEL) is engaged in manufacturing and marketing of crushing, screening, grinding, material handling and mineral processing equipment with integrated customer support and after sales service. The Company has four manufacturing facilities- Kumardubi in Jharkhand, Asansol in West Bengal, Bengaluru and Vadodara. The Company is a Public Limited Company and is listed in Metropolitan Stock Exchange in India.

The Hon'ble National Company Law Tribunal(NCLT), Kolkata Bench vide order dated 11/02/2021 while admitting section 7 application under Insolvency and Bankruptcy Code,2016 of ICICI Bank Limited, one of the financial creditors, initiated Corporate Insolvency Resolution Process against McNally Sayaji Engineering Limited.

CA Jitendra Lohia (IBBI/IPA/P00170/2017-18/10339) was initially appointed as the Interim Resolution Professional in the said matter.

Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was also preferred against the said order passed by the Hon'ble NCLT, Kolkata bench. In accordance with the order of the NCLAT on this appeal, a stay on the constitution of Committee of Creditors ("CoC") was imposed till final order in this matter. The Hon'ble NCLAT finally vide its order dated 29.11.2021 disposed of the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which held its first meeting on 14th December 2021. At the said E-voting in the First Meeting of Committee of Creditors all the resolutions including appointment of Interim Resolution Professional CA Jitendra Lohia as Resolution Professional by requisite majority were approved.

The CIRP under Insolvency and Bankruptcy Code,2016 is in progress

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

(a) Basis of Preparation of Standalone Financial Statements

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments); and
- Defined benefit plans – plan assets measured at fair value.

(iii) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained, on an average its operating cycle for the purpose of current-non-current classification of assets and liabilities to be 12 to 24 months.

(iv) Use of estimates and judgements

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

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

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

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker(CODM) comprises of the Whole time Director and the Chief Financial Officer. The CODM reviews the Company's performance on the analysis of profit before tax at an overall level. Accordingly, there is no other separate reportable segment than the geographical segment as defined by Ind AS 108 "Operating Segments".

(c) Foreign Currencies

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

(i) Functional Currency

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

(ii) Transactions and balances

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

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

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

(d) Revenue Recognition

Revenue is measured based on transaction price, which is the fair value consideration received or receivable, stated net of discounts and returns. Transaction price is recognised based on price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

(i) Sale of Goods and Services

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

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

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

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

(ii) Dividend and Interest Income

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

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

(e) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax expense/ (income).

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used till the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

(**f) Leases**

At inception of a contract, the entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Company recognizes a Right-of-use Asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, if applicable. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a Lessor

Lease income from operating lease where the Company is a lessor is recognised in income. The respective leased assets are included in the Standalone Balance Sheet based on their nature.

(g) Impairment of Non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the

Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(h) Cash and Cash Equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, Cash and Cash Equivalents include cash on hand, demand deposits , other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Standalone Balance Sheet.

(i) Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

(j) Inventories

Inventories consists of raw materials and components, stores and spares, loose tools, work in progress and finished goods are stated at lower of cost or net realizable value. Cost of inventories comprises cost of purchases. Cost of work in progress and finished goods comprise direct material, direct labour and an appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Cost of purchases in relation to inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

(k) Financial Liabilities

Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

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

(ii) Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as required by Ind AS 109. All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortized cost net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Gains and losses are recognised in Standalone Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

(l) Investments and Other Financial Assets

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

The Company classifies its financial assets in the following measurement categories:

· Those to be measured subsequently at fair value through profit or loss, and

· Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses will be recorded in the Standalone Statement of Profit and Loss. For Investments in debt instruments, this will depend on the business model in which the investment is held.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Standalone Statement of Profit and Loss.

Investment in Subsidiary is recognized at cost as per Ind AS 27 "Separate Financial Instruments" less impairment provision, if any, as per Ind AS 36 "Impairment of Financial Assets".

Debt instruments measured at amortized cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of Financial Assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company provides for expected credit loss allowance by taking into consideration historical trend, industry practices and the business environment in which the

Company operates. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Standalone Statement of Profit and Loss.

For trade receivables and dues from customers, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when the contractual rights to receive the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(m) Derivatives that are not designated as hedges

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Such contracts are accounted for at fair value through profit or loss and are included in other gains / losses. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(n) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(o) Property, Plant and Equipment

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if:

i.) it is probable that future economic benefits associated with the item will flow to the entity; and

ii.) the cost of an item can be measured reliably.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic beneûts associated with the item will ûow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance including spare parts are charged to Statement of Proût and Loss during the reporting period in which they are incurred.

- *Depreciation methods, estimated useful lives and residual value.*

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Act, which are also supported by technical evaluation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Freehold Land and Leasehold Land (perpetual lease) are not depreciated. Other leasehold land is amortized over the period of lease.

- Impairment of Property, Plant & Equipment

An asset's carrying amount is written down immediately to its recoverable amount if, and only if, the recoverable amount of an asset is less than its carrying amount and an impairment loss shall be recognized immediately in the Standalone Statement of Profit and Loss. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Standalone Statement of Profit and Loss within other gains/ losses.

(p) Investment Properties

Property that is held for long term rental yields or for capital appreciation or both, and is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to Statement of Profit and Loss during the reporting period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced cost is derecognized.

Investment properties are depreciated using straight line method over the estimated useful lives.

(q) Intangible Assets

(i) Design and Drawings, Technical knowhow and other rights

Separately acquired Design and Drawings, Technical knowhow and other rights are shown at historical cost.

(ii) Computer software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Cost of purchased software are recorded as intangible assets and amortized from the point at which the asset is available for use.

(iii) Research and Development

Expenditure on Research and Development that does not meet the criteria laid out in the standard are recognized as expenses as and when incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent period.

(iv) Amortisation methods and periods

The Company amortises technical know-how over a period of five years and designs and drawing power over a period of seven years under straight line method. Computer software are amortised on a straight line basis over a period of two to five years depending upon its useful lives.

(r) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(s) Borrowings

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(t) Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale.

Other borrowing costs are expensed to the Standalone Statement of Profit and Loss in the period in which they are incurred.

(u) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre – tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted. The increase in the provision due to the passage of time is recognised as interest expense in the Standalone Statement of Profit and Loss.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or amount of the obligation cannot be measured with sufficient reliability.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(v) Employee Benefits

(i) Short-term Employee Benefits

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employee render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis.

(ii) Other Long-term Employee Benefits

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

(iii) Post-employment Benefit Plans

- *Provident Fund*

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the profit or loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Company receive provident fund benefits, which are administered by the independent Provident Fund Trust. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Company make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Company has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Company's obligation to meet the shortfall, there is a defined benefit plan. Actuarial valuation of the Company's liability under such scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the Statement of Profit and Loss.

- *Superannuation Fund*

This is the defined contribution plan. The Company contributes a certain percentage of the eligible salary for employees covered under the scheme towards superannuation fund administered by the Trustees. The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

- *Gratuity*

This is a defined benefit plan. The schemes, which are funded with SBI Life Insurance Co. Ltd. and Life Insurance Corporation of India (LIC), are administered by independent trusts. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Standalone Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

- Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

(w) Contributed Equity

Equity Shares are classified as equity. The issue expenses of securities which qualify as equity instruments are written off against securities premium.

(x) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(y) Earnings Per Share

(i) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing:

- Profit/ (Loss) attributable to equity shareholders of the Company
- By the weighted average number of Equity Shares outstanding during the financial year, adjusted for the effect of all dilutive potential Equity Shares.

(ii) Diluted Earnings Per Share

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

- Profit/(Loss) after income tax effect of interest and other financing costs associated with dilutive potential Equity Shares, and
- The weighted average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares.

Rounding off amounts

All amounts disclosed in the Standalone Financial Statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 2: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures relating to contingent liabilities at the date of the Standalone Financial Statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Standalone Financial Statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Standalone Financial Statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the Standalone Financial Statements.

In the process of applying the group's accounting policies, the following management estimates, judgements and assumptions, have a significant effect on the amounts recognised and disclosed in the Standalone Financial Statements:

1. Going Concern Assumptions in the preparation of the Standalone Financial Statements.
2. Fair Value Measurement of Financial Instruments.
3. Recognition of Deferred Tax Assets for carried forward tax losses
4. Impairment of Trade Receivables and due from customers
5. Provisions, Claims and Contingent Liabilities
6. Estimation of Defined Benefits Obligation
7. Useful life of Property, Plant and Equipment

Estimates and judgements are continually evaluated on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

Note 3: Property, Plant and Equipment

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	GROSS CARRYING AMOUNT					ACUMULATED DEPRECIATION					NET CARRYING AMOUNT	
	As at 1st April, 2021	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2022	Upto 1st April, 2021	For the Year	Other Adjustments	Sales/ Disposal	upto 31st March 2022	As at 31st March, 2022	As at 31st March, 2021
Leasehold Land	2,529	-	4	-	2,533	273	21	(10)	-	285	2,248	2,256
Freehold Land	289	-	-	-	289	-	-	-	-	-	289	289
Building	13,356	-	2	-	13,358	4,746	430	4	-	5,180	8,178	8,610
Plant and Machinery	8,393	38	(83)	-	8,349	7,658	136	(102)	-	7,692	657	736
Plant and Machinery - Windmill	764	-	-	-	764	737	12	11	-	760	4	27
Furnitures and Fixtures	343	1	21	-	365	327	18	6	-	351	14	16
Refrigerators and Air Conditioners	87	0	11	-	99	52	1	42	-	95	4	35
Office Equipments	249	5	(40)	-	214	236	5	(39)	-	202	12	13
Motor Vehicles	49	-	-	-	49	34	3	(1)	-	35	14	15
Right to Use Assets	253	-	-	-	253	50	25		-	76	177	203
As at 31st March, 2022	**26,313**	**45**	**(84)**	**-**	**26,272**	**14,113**	**650**	**(89)**	**-**	**14,675**	**11,596**	**12,199**

* Amount is below the rounding off norms adopted by the company

Pursuant to the Scheme of Arrangement between the Company and Mcnally Bharat Engineerin Company Limited (MBECL), the holding company, the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, Cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain property plant and equipment of the company (net written down value as at 31.03.2022 of Rs. 457Lakhs, 31.03.2021 Rs. 472 lakhs) comprised in erstwhile product division of MBECL(Kumardhubi Unit-1)[Refer Note 36]

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT	
	As at 1st April, 2020	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2021	Upto 1st April, 2020	For the Year	Other Adjustments	Sales/ Disposal	upto 31st March 2021	As at 31st March, 2021	As at 31st March, 2020
Leasehold Land	2,529	-	-	-	2,529	216	57	-	-	273	2,256	2,313
Freehold Land	289	-	-	-	289	-	-	-	-	-	289	289
Building	13,356	-	-	-	13,356	4,210	536	-	-	4,746	8,610	9,146
Plant and Machinery	8,348	45	-	-	8,393	7,349	309	-	-	7,658	736	999
Plant and Machinery - Windmill	764	-	-	-	764	737	-	-	-	737	27	27
Furnitures and Fixtures	340	3	-	-	343	317	10	-	-	327	16	23
Refrigerators and Air Conditioners	87	-	-	-	87	67	-	-15	-	52	35	20
Office Equipments	241	8	-	-	249	226	10	-	-	236	13	15
Motor Vehicles	57	-	-	8	49	39	3	-	8	34	15	18
Right to Use Assets	253	-	-	-	253	25	25	-	-	50	203	228
As at 31st March, 2021	**26,264**	**56**	**-**	**8**	**26,313**	**13,186**	**950**	**-15**	**8**	**14,113**	**12,199**	**13,078**

* Amount is below the rounding off norms adopted by the company

Pursuant to the Scheme of Arrangement between the Company and Mcnally Bharat Engineerin Company Limited (MBECL), the holding company, the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, Cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain property plant and equipment of the company (net written down value as at 31.03.2021 of Rs. 472 Lakhs, 31.03.2020 Rs. 509 Lakhs) comprised in erstwhile Product Division of MBECL(Kumardhubi unit 1)[Refer Note 36]

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 4: Capital Work-in-Progress

	31st Mar 2022	31st Mar 2021
Capital Work-in-Progress	–	1

Capital work-in-Progress ageing Schedule for the year ended March 31st, 2022 & March 31st, 2021					
Capital Work-in-Progress	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3Year	Total
31st March 2022					
Software in Development	-	-	-	-	-
31st March 2021					
Software in Development	1	-	-	-	1

Note 5: Investment Properties [Leasehold land]

Particulars	**31st Mar 2022**	**31st Mar 2021**
Gross Carrying Amount		
Opening Gross Carrying Amount / Deemed cost	397	397
Closing Gross Carrying Amount	**397**	**397**
Accumulated Amortization		
Opening Balance	39	36
For the Year	3	3
Closing Accumulated Amortization	**42**	**39**
Net Carrying Amount	**355**	**358**

(i) Amount recognised in the Standalone Statement of Profit and Loss for Investment Properties

Particulars	**31st Mar 2022**	**31st Mar 2021**
Rental Income (included under Other Income Note 28)(Refer Note -46)	48	48
Direct operating expenses on property that generated rental income	(5)	(5)
Profit from Investment Properties before Amortization	**43**	**43**
Amortization	3	3
Profit from Investment Properties	**40**	**40**

(ii) Leasing Arrangements

Investment properties are leased to tenants under cancellable operating leases with rentals payable monthly.

(iii) Fair value

Particulars	**31st Mar 2022**	**31st Mar 2021**
Investment Properties*	2,250	2,250

Estimation of fair value

* The fair valuation is based on reported value as on 21.05.2019 in active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry and trend of fair market rent in the area of property located.

The valuation is based on valuation performed by an accredited independent valuer. All resulting fair value estimates for investment properties are included in level 2.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

Note 6: Intangible Assets

(All amounts are in Rs lakhs, unless otherwise stated)

	GROSS CARRYING AMOUNT					ACUMULATED DEPRECIATION				NET CARRYING AMOUNT	
Particulars	As at 1st April, 2021	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2022	Upto 1st April, 2021	For the Year	Sales/ Adjustments	upto 31st March 2022	As at 31st March, 2022	As at 31st March, 2021
Design and Drawings	2,250	-	-	-	2,250	2,250	-	-	2,250	-	-
Computer Software	197	3	2	-	198	193	1	-	194	4	4
Technical Knowhow	20	-	-	-	20	20	-	-	20	-	-
	2,467	**3**	**2**	**-**	**2,468**	**2,463**	**1**	**-**	**2,464**	**4**	**4**

	GROSS CARRYING AMOUNT					ACUMULATED DEPRECIATION				NET CARRYING AMOUNT	
Particulars	As at 1st April, 2020	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2021	Upto 1st April, 2020	For the Year	Sales/ Adjustments	upto 31st March 2021	As at 31st March, 2021	As at 31st March, 2020
Design and Drawings	2,250	-	-	-	2,250	2,250	-	-	2,250	-	-
Computer Software	195	2	-	-	197	193	-	-	193	4	2
Technical Knowhow	20	-	-	-	20	20	-	-	20	-	-
	2,465	**2**	**-**	**-**	**2,467**	**2,463**	-	**-**	**2,463**	**4**	**2**

* amount is below rounding off norm adopted by the company

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 7: Non-Current Investment

	31st Mar 2022	31st Mar 2021
Investment in Equity Instruments (fully paid-up)		
Unquoted		
Investment in Subsidiary		
349,323 (31st March 2021 : 349,323) Equity Shares of Rs. 10/- each of MBE Coal & Mineral Technology India Private Limited*	2,700	2,700
Total Non-current Investment	**2,700**	**2,700**
Aggregate amount of Unquoted Investment	2,700	2,700

* Working Capital Demand Loan availed by the holding company, McNally Bharat Engineering Company Limited from Axis Bank Ltd had been sanctioned against additional security of Equity shares held in MBE Coal & Mineral Technology India Private Limited by the Company .

Note 8: Trade Receivables

	31st Mar 2022	31st Mar 2021
Receivables Considered Good-Unsecured (Refer Note-46)	7,931	8,310
Receivables which have significant increase in Credit Risk	-	-
Receivables-Credit Impaired	3,193	1,692
Less: Allowance for Doubtful trade receivables	4,221	2,501
Total Receivables	**6,903**	**7,501**
Current portion	6,136	7,051
Non-current portion#	767	450

#Represents retention amount receivable beyond one year from reporting date

Trade Receivables Ageing Schedule as at 31-03-2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables - Considered Good	1,642	3,313	1,067	1,038	429	167	7,656
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	2	6	360	217	2,383	2,967
Less Allowance for Doubtful trade receivables	-	(2)	(6)	(360)	(217)	(2,383)	(2,967)
Disputed Receivables - Considered Good	-	-	-	-	-	275	275
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	226	226
Less Allowance for Doubtful trade receivables						(226)	(226)
Total Receivables	1,642	3,313	1,067	1,038	429	443	7,931
Less Allowance for Doubtful trade receivables (ECL)							1,028
Net Total Receivables							**6,903**

* Includes Rs 767 Lakhs due beyond one year from reporting date

Trade Receivables Ageing Schedule as at 31-03-2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due*	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Receivables - Considered Good	450	4,698	582	633	317	1,355	8,035
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	-	-	70	161	1,234	1,466
Less Allowance for Doubtful trade receivables	-	-	-	(70)	(161)	(1,234)	(1,466)
Disputed Receivables - Considered Good	-	-	-	-	-	275	275
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	226	226
Less Allowance for Doubtful trade receivables						(226)	(226)
Total Receivables	450	4,698	582	634	317	1,630	8,310
Less Allowance for Doubtful trade receivables (ECL)							809
Net Total Receivables							7,501

* Rs 450 Lakhs due beyond one year from reporting date

Note 9: Cash and Cash Equivalents

	31st Mar 2022	**31st Mar 2021**
Balances with Banks		
- in Current Accounts [Refer Note- 54]	955	1,863
Bank Deposits with maturity of less than three months @	1,018	12
Cheques in Hand	-	12
Cash on hand (as certified by the Management)	1	1
Total Cash and Cash equivalents	**1,974**	**1,888**
@ Balances with banks to the extent held as margin money or security against the guarantees	9	12

Note 10: Other Bank Balances

	31st Mar 2022	**31st Mar 2021**
Bank deposits with original maturity greater than three months and maturing within twelve months@		
Margin Money Deposits	111	235
Total other bank balances	**111**	**235**
@ Balances with banks to the extent held as margin money or security against the guarantees	111	235

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 11: Other Financial Assets

	31st Mar 2022		31st Mar 2021	
Unsecured, Considered Good	Non-Current	Current	Non-Current	Current
Bank deposits with original maturity greater than twelve months @	195	-	53	-
Security Deposits	10	-	9	-
Balance with Govt/Amount recoverable from Govt	-	34	14	34
Earnest Money Deposit	66	-	66	-
Less:'Doubtful Earnest Money Deposit'	-	-	(2)	-
Total Other Financial Assets	**271**	**34**	**140**	**34**
@ Balances with banks to the extent held as margin money or security against the guarantees	195	-	53	-

Note 12: Other Non Current Assets

	31st Mar 2022	31st Mar 2021
	Non Current	Non Current
Security Deposits - considered good		
Deposit for Electricity	76	76
Deposit for Others	52	64
Deposit for Others-Credit impaired	1	1
Less : Doutful Deposit	1	1
Total Other Non Current Assets	**128**	**140**

Note 13: Inventories [Refer Note 1.J]

	31st Mar 2022	31st Mar 2021
Raw Materials*	1,816	1,860
Work-in-Progress*	2,812	5,514
Finished Goods	-	39
Stores and Spares	379	885
Loose Tools	33	60
Total Inventories	**5,040**	**8,358**
*Amount of Written down of inventories carried at NRV and recognised as Exceptional Item. [Refer Note-49]	3,075	-

Note 14: Other Current Assets

	31st Mar 2021	31st Mar 2020
Unsecured, considered good, unless stated otherwise		
Balance with Government Authorities *	623	653
Advance for goods and services		
Related Party	124	8
Others	1,372	1,255
Others :-		
Advance To Employees	83	20
Prepaid Expenses	63	49
Security Deposits	53	65
Other Advances	-	3
Total Other Current Assets	**2,318**	**2,053**

* It includes ITC of Rs. 10.47 Lacs blocked by Department of GST, West Bengal [Refer Note 58]

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 15: Current Tax Assets (Net)

	31st Mar 2022	31st Mar 2021
Opening Balance	118	58
Add : Advance tax paid/Adjustment during year (including tax deducted at source)	139	60
Less : Refund received during the year	202	-
Closing Balance	**55**	**118**

(Net of Provision Rs 3024.22 Lakhs, Previous Year Rs 3024.22 Lakhs)

Note 16: Deferred Tax Assets (Net)

	31st Mar 2022	31st Mar 2021
The balance comprises temporary differences attributable to:		
Deferred Tax Asset on account of		
Unabsorbed Tax Depreciation/Loss	5,540	5,540
Items allowable for tax purpose on payment basis	123	123
Allowance for doubtful debts and doubtful advances	565	565
Others	21	21
Total Deferred Tax Assets	6,249	6,249
Deferred Tax Liability on account of		
Property, Plant and Equipment, Investment Property and Intangible Assets	(847)	(847)
Others	(5)	(5)
Total Deferred Tax Liabilities	(852)	(852)
Net Deferred Tax Assets	**5,397**	**5,397**

Movements in deferred tax liabilities

Particulars	Unabsorbed Tax Depreciation /Loss	Items allowable for tax purpose on payment basis	Allowance for doubtful debts and doubtful advances	Property, plant and equipment, investment property and intangible assets	Others	Total
At 31 March 2020	**5,540**	**123**	**565**	**(847)**	**16**	**5,397**
Charged/(credited):						
- to profit or loss	-	-	-	-	-	-
- to other comprehensive income	-	-	-	-	-	-
At 31 March 2021	**5,540**	**123**	**565**	**(847)**	**16**	**5,397**
Charged/(credited):						
- to profit or loss	-	-	-	-	-	-
- to other comprehensive income	-	-	-	-	-	-
At 31 March 2022	**5,540**	**123**	**565**	**(847)**	**16**	**5,397**

Significant Estimates

The Company had recognised Deferred Tax Assets amounting to Rs. 5,397 Lakhs as on 31st March, 2019 which the Company is also carrying as on March 31, 2020 and on March 31, 2021, in view of order passed by the NCLT Court, Kolkata Bench initiating the process of CIRP against the Company [Refer note no-56]

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

Note 17: Equity Share Capital

	31st Mar 2022		31st Mar 2021	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised				
Equity Shares of Rs.10/- each	5,00,00,000	5,000	5,00,00,000	5,000
Preference Shares of Rs. 10/- each	40,00,000	400	40,00,000	400

	31st Mar 2022		31st Mar 2021	
	Number of shares	Amount	Number of shares	Amount
(ii) Issued, Subscribed and Paid up				
Equity Shares				
Equity Shares of Rs.10/- each	1,25,89,273	1,259	1,25,89,273	1,259
3455529 Equity Shares(31st March 2021:3455529Equity Shares) of Rs.10 each were issued as fully paid up pursuant to a Scheme of Arrangement.				
3600000 Equity Shares(31st March 2021:3600000 Equity Shares) of Rs.10 each were issued as fully paid up pursuant to conversion of Compulsorily Convertible Preference Shares				
		1,259		**1,259**

	31st Mar 2022	31st Mar 2021
	Number of shares	Number of shares
(iii) Equity Shares are held by the holding Company $	79,31,487	1,02,68,698

(iv) Reconciliation of shares

	31st Mar 2022		31st Mar 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	1,25,89,273	1,259	1,25,89,273	1,259
Shares outstanding at the end of the year#	**1,25,89,273**	**1,259**	**1,25,89,273**	**1,259**

Includes 36,00,000 Equity Shares issued in physical form in lieu of conversion of compulsorily convertible preference shares.These shares could not be enlisted as the Company was not listed with a nationally recognised stock exchange at the time of issue of compulsorily convertible preference shares and as such in-principal approval as per SEBI guidelines for such issue has not been obtained till date.

(v) Terms/Rights attached to Equity Shares

The Company has only one class of Equity Share having a par value of Rs 10/- per share. Each holder of equity is entitled to one vote per share. The dividend proposed by the board of directors (suspended) is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

(vi) Details of shareholders holding more than 5% of the aggregate equity shares in the Company

	31st Mar 2022		31st Mar 2021	
	Number shares held	% of Holding	Number of of shares held	% of Holding
McNally Bharat Engineering Company Limited	79,31,487	63.00	1,02,68,698	81.56
ICICI Bank Ltd	23,37,211	18.57	-	-
EIG (Mauritius) Limited	13,40,000	10.64	13,40,000	10.64

Shares held by Promoters at the end of the year

Promoter Name	**No. of Shares**	**% of Total Shares**	% Change during the year
McNally Bharat Engineering Company Limited	79,31,487	63.00	Yes
Williamson Magor & Co Limited	36,013	0.2861	No
Total	79,67,500		

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

Note 18: Other Equity

Particulars	31st Mar 2022	31st Mar 2021
Capital Reserve	8,115	8,115
Securities Premium	5,712	5,712
General Reserve	1,465	1,465
Retained Earnings	(11,385)	(7,270)
Total Reserves and Surplus	**3,907**	**8,022**

(i) Capital Reserve

Particulars	31st Mar 2022	31st Mar 2021
As per last Financial Statement	8,115	8,115

(ii) Securities Premium

Particulars	31st Mar 2022	31st Mar 2021
As per last Financial Statement	5,712	5,712

(iii) General Reserve

Particulars	31st Mar 2022	31st Mar 2021
As per last Financial Statement	1,465	1,465

(iv) Retained Earnings

Particulars	31st Mar 2022	31st Mar 2021
As per last Financial Statement	(7,270)	(8,252)
Net profit / (loss) for the year	(4,124)	981
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	10	1
Closing Balance	**(11,385)**	**(7,270)**

Nature & Purpose of Other Reserves

a) **Capital Reserve**
Represents the amount transferred from the transferor company pursuant to Scheme of Amalgamation.

b) **Securities Premium Reserve**
Securites Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

c) **General Reserve**
General Reserve is created and utilised in compliance with the provisions of the Act.

Note 19: Non-Current Borrowings

	31st Mar 2022	31st Mar 2021
Secured Loans from Banks Cash Credit Limits		
Repayable on demand #	12,231	12,231
Unsecured Loans		
From Banks		
Inter - Corporate Deposits (Refer Note No-51)	4,924	4,924
Total Current Borrowings	**17,155**	**17,155**

Nature of Security on Secured Loans availed from Banks

Cash Credit facilities are secured by first pari passu charge on entire current assets of the Company. These facilities are also secured by second pari passu charge over the immovable and movable fixed assets of the Kumardhubi plant - Unit II, Asansol unit, Baroda unit and Bangalore unit both present and future.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

Details of Default of Current Borrowings

Particulars	Principal	Interest*
Loan from Bank Repayable on Demand		
-ICICI Bank (including Overdraft)	3,900	-
-DBS Bank	1,219	66
-IDBI Bank	1,500	65
-State Bank of India	3,544	-
-Kotak Mahindra Bank	2,068	-
Total Loan from Bank Repayable on Demand -Default	**12,231**	**131**
Total Inter-Corporate Loans- Default	**4,924**	**66**

* In addition to the above, the interest expense not been provided in the books of account on the above bank borrowings and Inter-Coporate Borrowings (Refer Note -51)

Amendments to Ind AS 7 Statement of Cashflows: Disclosure Initiatives

The amendments require entitites to provide disclosure of changes in their liabilities arising from financing activities,including both changes arising from cash flow and non cash changes (such as foreign exchange gains or losses).The Company has provided the information for current period.

Particulars	01-Apr-21	Cash Flow	Other Adjustments	31-Mar-22
Borrowings(Non-current and current maturities of long term debts) @	3,352	-	-	3,352
Borrowings (current) *	17,155	-	-	17,155
Total	**20,507**	**-**	**-**	**20,507**

@ Refer Note 21

* Refer Note 19

Particulars	01-Apr-20	Cash Flow	Other Adjustments	31-Mar-21
Borrowings(Non-current and current maturities of long term debts) @	3,356	(4)	-	3,352
Borrowings (current) *	17,963	(814)	6	17,155
Total	**21,319**	**(818)**	**6**	**20,507**

@ Refer Note 21

* Refer Note 19

Note 20: Lease Liabilities

Particulars	31st Mar 2022		31st Mar 2021	
	Non Current	Current	Non Current	Current
Lease Obligation	169	42	182	40
Total Lease Liabilities	169	42	182	40

Note 21: Other Financial Liabilities

	31st Mar 2022	31st Mar 2021
Current		
Current maturities of long-term debt*	3,352	3,352
Interest accrued and due on Borrowings @	354	354
Employee Benefits Payable	112	169
Capital Creditors	13	18
Liability for Other Expenses $ [Refer No 46]	443	677
Earnest Money from Applicant (CIRP)	20	-
Total Current	**4,294**	**4,571**
Total Other Financial Liabilities	**4,294**	**4,571**

$ includes primarily Creditors for other expenses

@ For interest accrued and due on bank borrowings as at 31st March 2019 [refer Note 51]

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

Nature of Security,terms of repayment and rate of interest for Secured Borrowings

Nature of Security	Terms of Repayment and Rate of Interest
i. Year end term loan balance from ICICI Bank Ltd. of Rs 2,500 lacs (31.03.2021 Rs. 2500/- lacs) is secured by first pari passu charge on all movable and immovable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future and pledge over 26% shares of the Company held by Holding Company. This facility is also guaranteed by Holding Company.	Loan is repayable in 8 equal half yearly installments, the first such installment being due on June 17, 2017 and at the end of every six months thereafter. Interest is payable at the rate of 12.75% p.a. on amount beginning June 18, 2015 and every half year thereafter.
ii. Year end term loan balance from DBS Bank Ltd. of Rs 852 lacs (31.03.2021 Rs. 852 /- lacs) is secured by first pari passu charge on all movable and immovable fixed assets of the Company (excluding Kumardhubi plant - Unit 1) both present and future. (Refer Note-54)	Loan is repayable in 8 equal quarterly installments of Rs 125 each beginning from 3rd July 2017. Interest is payable at the 13% p.a. on monthly basis.

*The Company has been categorised as Non-Performing Asset by the lender banks,consequently, some of the lender banks have stopped debiting interest on their debts and the company has already been under Corporate Insolvency Resolution Process (CIRP) on and from 11th February 2021(Refer Note no. 51). The details of continuing defaults at the year end in respect of Current Borrowings (including current maturities of long term debts) are as follow :

Particulars	Principal	Interest*
Term Loans from Banks		
-ICICI Bank	2,500	107
-DBS Bank	852	50
Total Term Loan- Default	3,352	157

*In addition to the above, the interest expense has not been provided in the books of account on the above borrowings .Refer Note 51)

Term Loan facilities granted to the Company by ICICI Bank Limited are secured against pledge over 23,37,211 number equity shares of the holding company McNally Bharat Engineering Company Limited. The said pledge created over 23,37,211 equity shares of the Company has been invoked by ICICI Bank Limited and a sum of Re.1/- has been adjusted towards the over-dues under the facilities availed by the Company from ICICI Bank Limited. However, no provision has been considered in the Financial Statements of the Company.

Note 22: Trade Payables [Refer note-43 & 57]

	31st Mar 2022	31st Mar 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	337	212
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,081	4,624
Total Trade Payables	**5,418**	**4,836**

Trade payables Ageing Schedule as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	10	55	225	5	20	315
Others	-	1815	1,908	131	1,221	5075
Disputed Dues - MSME	-	-	-	-	22	22
Disputed Dues - Others	-	1.4	-	-	5	7

Trade payables Ageing Schedule as on 31-03-2021

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	156	6	3	25	190
Others	-	2300	527	307	1483	4617
Disputed Dues - MSME	-	-	-	-	22	22
Disputed Dues - Others	-	1	-	-	5	7

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

Note 23: Provisions

Particulars	31st Mar 2022	31st Mar 2021
Warranty	53	54
Total	**53**	**54**

(i) Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

The Company offers 12 to 18 months warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claims information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. As at 31 March 2022, this particular provision had a carrying amount of Rs 53 lakhs (31.03.2021 Rs 54 lakhs). Where claims costs differ by 10% from management's estimates, the warranty provisions would be an estimated Rs 5 lakhs higher or lower (31.03.2021 Rs 5 lakhs higher or lower).

(ii) Movements in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	31st Mar 2022	31st Mar 2021
Balance as at the beginning of the year	54	66
Provision made	4	-
Provision used/Adjusted	(5)	(12)
Balance as at the end of the year	**53**	**54**

Note 24: Employee Benefit Obligations

	31st Mar 2022			31st Mar 2021		
	Current	Non-current	Total	Current	Non-current	Total
Gratuity	65	304	**369**	64	338	402
Compensated Absence	5	35	**40**	6	39	45
Longterm service Award	1	6	**7**	3	7	11
Total Employee Benefits Obligations	71	345	416	73	384	457

a) Gratuity

In keeping with the Company's gratuity scheme, eligible employees are entitled for gratuity benefit as per The Payment of Gratuity Act, 1972 on retirement / death/ incapacitation/ termination etc. Also refer Note 1.V.iii for accounting policy related to gratuity. The following Table sets forth the particulars in respect of the Defined Benefit Plans (funded) :

	Present value of obligation	Fair value of plan assets	Net amount
As at 1st April, 2021	**526**	**(124)**	**402**
Current service cost	30	-	**30**
Interest expense/(income)	36	(8)	**28**
Total amount recognised in profit or loss	66	(8)	58
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1	**1**
(Gain)/loss from change in financial assumptions	4	-	**4**
Experience (gains)/losses	(15)	-	**(15)**
Total amount recognised in Other Comprehensive Income	(11)	1	(10)
Employer contributions/premiums paid		(81)	**(81)**
Benefit payments	(83)	83	-
As at 31st March, 2022	**498**	**(129)**	**369**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1st April, 2020	**587**	**(200)**	**387**
Current service cost	31	-	31
Interest expense/(income)	41	(11)	30
Total amount recognised in profit or loss	**72**	**(11)**	**61**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1	1
(Gain)/loss from change in financial assumptions	4		4
Experience (gains)/losses	(7)		(7)
Total amount recognised in other comprehensive income	**(4)**	**1**	**(2)**
Employer contributions/premiums paid	(44)	(44)	
Benefit payments	(130)	130	-
As at 31st March, 2021	**526**	**(124)**	**402**

The net liability disclosed above relates to funded and unfunded plans are shown below:

	31st Mar 2022	31st Mar 2021
Present value of funded obligations	498	526
Fair value of plan assets	(129)	(124)
Deficit of funded plans	369	402

Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

Principal Actuarial assumptions used:

	31st Mar 2022	31st Mar 2021
Discount rate	7.10%	6.90%
Salary escalation rate	5%	4%
Withdrawl rate	1% to 8%	1% to 8%
Mortality rate	In accordance with standard table Indian Assured Lives Mortality (2012-14) ultimate	

Note 24: Employee Benefit Obligations (Contd.)

The estimates of future salary increases, considered in actuarial valuations, taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.

The contribution expected to be made by the Company of Rs 73.94 Lakhs for the year ended March 31, 2023.

Expected Payout

The weighted average duration for 2021-22 of the defined benefit obligation is 5.46 years (March 31, 2021 : 4.67 years).

The expected maturity analysis of undiscounted gratuity is as follows

	31st Mar 2022	31st Mar 2021
Less than a year	85	80
Between 1 to 2 years	50	64
Between 2 to 5 years	200	225
More than 5 Years*	202	246
Total	**537**	**615**

Considered Above 5 year to 10 Year

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Sensitivity Analysis	31st Mar 2022	31st Mar 2021
Under Base scenario	496	524
Increase in discount rate by 1%	463	497
Decrease in discount rate by 1%	517	555
Increase in salary escalation by 1%	519	557
Decrease in salary escalation by 1%	461	494
Increase in Withdrawl rate by 1%	494	529
Decrease in Withdrawl rate by 1%	483	518

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Standalone Balance Sheet.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the interest rate on plan assets will increase the plan liability.
Life expectancy	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

b) Provident Fund

Contributions towards provident funds are recognised as expense for the year. The Company contributes to the provident funds trusts set up by the holding company in respect of certain categories of employees which is administered by Trustees. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary to and aggregate contributions along with interest thereon are paid to the employee's/ nominee's at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investment prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made by the Company.

In terms of the Guidance Note on 'Employee Benefits' issued by the Accounting Standards Board of The Institute of Chartered Accountants of India (ICAI), a provident fund trust set up by the Company are treated as defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligation as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the year, the Company's contribution of Rs 89 Lakhs (2020-21 Rs. 96 Lakhs) to the Provident Fund Trust has been expensed under the " Contribution to Provident and Other Funds" in Note 31. Disclosures given hereunder are restricted to the information available as per the Actuary's report -

Note 24: Employee Benefit Obligations (Contd.)

Particulars	31st Mar 2022	31st Mar 2021
Discount rate	7.15%	6.90%
Expected Return on Exempted Fund	8.10%	8.50%

(ii) Post Employment Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised as expense in Statement of Profit and Loss for the year is as under:

Particulars	31st Mar 2022	31st Mar 2021
Employer's Contribution to Provident Fund	106	110

Note 25: Other Current Liabilities

Particulars	31st Mar 2022	31st Mar 2021
Advance received from customers		
Related Party	3,267	3,126
Others	810	1,360
Dues payable to government authorities	96	62
Total other current liabilities	**4,173**	**4,549**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 26: Decommissioning Liability

The Company has made provision as at year end for all material losses if any, on long term contracts.

Note 27: Revenue from Operations

Particulars	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Sale of Products	15,115	15,120
Sale of Services	346	322
Other Operating Revenue	273	400
Total Revenue from Operations	**15,734**	**15,842**

Note 28: Other Income

	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Rental Income	48	48
Interest Income from Financial Assets at Amortised Cost	31	24
Liability no longer required written back	217	99
Provision no longer required written back	1	26
Interest on Refund	20	2
Net Foreign Exchange Gain	12	2
Duty Drawback Income	19	13
Miscellaneous Income	4	3
Total Other Income	**352**	**217**

Note 29: Cost of Materials Consumed

	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Raw Materials at the beginning of the year	1,860	1,839
Add: Purchases	8,799	7,037
Less: Raw Materials at the end of the year	1,816	1,860
Less: Transfer to Exceptional Items	127	-
Total Cost of Materials Consumed	**8,716**	**7,016**

Note 30: Changes in Inventories of Work-in-Progress and Finished Goods [Refer Note 52]

	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Opening balance		
Work-in progress	5,514	6,858
Finished Goods	39	62
Total opening balance	**5,553**	**6,920**
Closing balance		
Work-in progress	2,812	5,514
Finished Goods	-	39
Total closing balance	**2,812**	**5,553**
Add: Transfer to Exceptional Item	2,948	
Total Changes in Inventories of Work-in-Progress and Finished Goods	**(208)**	**1,367**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 31: Employee Benefits Expenses

Particulars	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Salaries, Wages and Bonus	2,158	2,142
Contribution to Provident and Other Funds	171	184
Staff Welfare Expenses	111	116
Total Employee Benefits Expenses	**2,440**	**2,442**

Note 32: Depreciation and Amortisation Expenses

Particulars	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Depreciation on Property, Plant and Equipment	649	936
Depreciation on Investment Properties	3	3
Amortisation of Intangible Asset	1	-
Total Depreciation and Amortisation Expenses	**653**	**939**

Note 33: Other Expenses

Particulars	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Consumption of Stores and Spares	870	753
Fabrication and Other Charges	1164	887
Power	211	235
Repairs and Maintenance:		
To Plant and Machinery	45	47
To Buildings	6	11
To Others	51	43
Professional Fees (refer note 33 (b) below)	268	308
Rental Charges	12	29
Subscriptions and Donations	2	1
Rates and Taxes	47	22
Insurance	54	58
Freight	244	204
Travel and Conveyance	222	186
Director Fees	-	1
Royalty	-	10
Commission Expenses	4	9
Security Services	113	127
Allowance for Doubtful Debts — Trade Receivables	1,720	151
Advance and other receivables Written off	266	-
Miscellaneous Expenses (refer note 33 (a) & (b) below)	141	144
Total Other Expenses	**5439**	**3,226**

Note 33(a): Miscellaneous Expenses includes :

Particulars	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Auditors Remuneration		
As Auditors(including Limited Review)	27	27
Total Auditors Remuneration	27	27

Note 33(b): CIRP Expenses includes :

Particulars	Year ended 31st Mar 2022	Year ended 31st Mar 2021
Resolution Professional Fees	68	-
Advertisement Expenses	6	-
Legal Expesnses	1	-
IT Services and others	2	-
Total CIRP Expenses	**77**	**-**

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 33(c): Corportate Social Responsibility :

The average net profit for last three years as per Section 135 of the Companies Act, 2013 is Rs Nil, hence the Company has not incurred any expenditure on account of Corporate Social Responsibility

Note 34: Finance Cost

Particulars	Year ended 31st Mar 2022	Year ended 31st Mar 2021
On Banks Charges	88	58
On Lease Obligation Expenses	29	30
Total Finance Cost	117	88

Note 35: Income Tax Expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Particulars	31st March 2022	31st March 2021
(a) Income Tax Expense		
Current tax-Earlier year	(22)	-
Current tax on profits for the year	-	-
Total Current Tax Expense	**(22)**	**-**
Deferred Tax	-	-
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	-	-
Total Deferred Tax Charge / (credit)	-	-
Income Tax Expense	(22)	-
-through Profit and Loss	(22)	-
-through Other Comprehensive Income	-	1

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31st March 2022	31st March 2021
Profit/(Loss) before Income Tax Expense	(4,146)	981
Other Comprehensive Income	10	2
	(4,137)	**983**
Tax at the Indian tax rate of 31.2% (2020-21 — 31.2%)	-	-
Add : Deferred Tax Asset created for Unabsorbed business loss	-	-
Add / (Less) : Adjustment for temporary differences		
Disallowances on items for tax purpose on payment basis	-	-
Disallowance for doubtful debts and doubtful advances	-	-
Change in carrying value of assets under Income tax and books	-	-
Others	-	-
Income Tax Expense	**-**	**-**

Note 36: Contingent Liabilities

Particulars	31st March 2021	31st March 2020
Claims against the Company not acknowledged as debts*	18,841	18,841
Other money for which the company is contingent liabile:-		
Excise Duty & Service Tax matters under dispute	3,109	2,632
Sales Tax and Value Added Tax matters under dispute	5,138	4,344
Income-tax matters (Net of refund)	612	612
Other demands related to claims made by certain ex-employees towards employee benefits due to them	41	41
Civil Suits filed by Customer for Equipment issue	117	117
Civil Suits filed by Contractor for Asansol Factory	49	49
Civil Suits filed by Suppliers and Others	132	132
Demand from Jharkhand Mineral Area Development Authority	1,055	1,055
	29,095	**27,823**
Others		
Performance/Advance Bank Guarantees[Limit Rs.2900 Lacs(31st March 2021: Rs 2900 lacs]-Amount Utilised and Bank Guarantees issued against Margin Money	1,531	1,531
Corporate Guarantee to banks on behalf of holding company to the extent of erstwhile product division of holding company (Kumardhubi Unit 1)[Refer Note 3 and 52]	5,950	5,950
	7,481	**7,481**
	36,576	**35,304**

* In earlier year, the holding company, McNally Bharat Engineering Company Limited had entered a put option agreement with EIG (Mauritus) Limited, who invested in the Company and the

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Company was also a party to the said agreement. In order to exercise the put option, the investor submitted its request for Arbitration to the International Chamber of Commerce Court, Singapore against the Holding Company and the Company as Respondent No. 1 and Respondent No. 2 respectively. The Arbitrator issued a dissenting opinion requiring the respondents to pay damages amounting to Rs. 18841 lacs (including interest) and legal cost. The award has been challenged in the High Court of the Republic of Singapore and the matter was dismissed in favor in EIG (Mauritus) Limited.The Corporate Insolvency Resolution Process (CIRP) has since been initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench and the claim submitted by EIG (Mauritus) Limited as finacial debts under the Insolvency & Bankruptcy Code 2016 amounting to Rs. 18111 lakhs, however has not been admitted.

Future cash outflows in respect of the above matters are determinable only in terms of the approved resolution plan pursuant to the provision Insolvency & Bankruptcy Code 2016.

Note 37: Fair Value Measurements Financial Instruments by category

	31st March, 2022			31st March, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL Cost	FVOCI	Amortised
Financial Assets						
Investments	-	-	2,700	-	-	2,700
Trade Receivables	-	-	6,903	-	-	7,501
Cash and Cash Equivalents	-	-	1,974	-	-	1,888
Other Bank Balances	-	-	111	-	-	235
Other Financial Assets	-	-	305	-	-	174
Total Financial Assets	**-**	**-**	**11,994**	**-**	**-**	**12,498**
Financial Liabilities						
Borrowings	-	-	20,507	-	-	20,507
Lease Obligation	-	-	211			222
Trade Payables	-	-	5,418	-	-	4,836
Other Financial Liabilities	-	-	942	-	-	1,219
Total Financial Liabilities	**-**	**-**	**27,077**	**-**	**-**	**26,784**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair value are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March, 2022- 10 Lacs and Nil respectively (31st March,2021-9 Lacs and Nil)

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted (unadjusted) prices in active market for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model

(iii) Fair value of the financial asset and liabilities measured at amortised cost

The management consider that the carrying amounts of financial assets and liabilities recognized in the Standalone Financial Statements and carried at amortised cost approximate their fair value as on 31.03.2022 and 31.03.2021.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 38: Financial Risk Management

The Company's activities is exposed to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's risk management is carried out by a central treasury department (Company Treasury) under policies approved by the management. Company Treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit Risk

Credit risk arises from Cash & Cash Equivalents, Other Bank Balances, Investments ,Trade receivables and other financial assets carried at amortised cost and deposits with other financial institutions, as well as credit exposures to outstanding receivables.

(i) Credit Risk Management

The Company assigns the following credit ratings to each class of financial assets based on assumptions, inputs and factors specific to the class of financial assets.

VL1: High-quality assets, negligible credit risk ; VL2: Quality assets, low credit risk ; VL3: Standard assets, moderate credit risk ; VL4: Substandard assets, relatively high credit risk ; VL5: Low quality assets, very high credit risk ; VL6: Doubtful assets, credit impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant changes in the operating results of the payer
- significant increase in credit risk on other financial instruments of the same payer
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behavior of the payer, including changes in the operating results of the payer.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

Financial assets are written off when there is no reasonable expectations of recovery, such as debtor failing to engage in a repayment plan with the Company or where payer/borrower does not have financial capability to repay its debts. Where loans or receivables have been written off, the Company continues to engage in enforcement activities to attempt to recover the receivables due.

(ii) Provision for Expected Credit Losses

The Company provides for expected credit loss of trade receivables and other financial assets based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Wherever required, past trend is adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the historical data is based, and to remove to effects of the conditions in the historical period that are not relevant to the future contractual cash flows.

(iii) Reconciliation of loss allowance provision- Trade Receivables

Particulars	As at 31st March 2022	As at 31st March 2021
Loss allowance on at opening balance sheet date	2,501	2,350
Changes in loss allowance	1,720	151
Loss allowance on at closing balance sheet date	4,221	2,501

The Company has receivables from certain customers against whom insolvency proceedings have been initiated during the year under the Insolvency and Bankruptcy Code, 2016. In view of the same, the Company has made adequate provision to its future financial losses.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturities of financial liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based in their contractual maturities for: (i) all non-derivative financial liabilities, and; (ii) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Less than 12 months		More than 12 months		Total	
	31st March, 2022	1st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Borrowings	20,507	20,507	-	-	20,507	20,507
Trade Payables	5,418	4,836	-	-	5,418	4,836
Other Financial Liabilities	942	1,219	-	-	942	1,219
Total Liabilities	26,868	26,563	-	-	26,867	26,562

* rounding off norms adopted by the company

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

(C) Market Risk

(i) Foreign Currency Risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During 31st March 2022 and 31st March 2021, the Company's borrowings at variable rate were mainly denominated in INR .The Company's fixed rate borrowings are carried at amortised cost. These are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follows:

	As at 31st March 2022		As at 31st March 2021	
	USD	EURO	USD	EURO
Financial Assets				
Trade Receivables	243	-	142	-
Advance to Supplier	36	4	189	18
	279	**4**	**331**	**18**
Financial Liability				
Advance From Customer	27	-	210	-
Trade Payables	41	6	40	6
	68	**6**	**250**	**6**

* Amount is below the rounding off norms adopted by the company.

(b) Sensivity:

Impact on profit

	As at 31st March 2022		As at 31st March 2021	
	USD	EURO	USD	EURO
Increase by 5% #	11	(0)	4	1
Decrease by 5% #	(11)	0	(4)	(1)

Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During 31st March 2022 and 31st March 2021, the Company's borrowings at variable rate were mainly denominated in INR .The Company's fixed rate borrowings are carried at amortised cost. These are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at end of reporting period are as follows:

	As at 31st March 2022	As at 31st March 2021
Variable rate borrowings	15,583	15,583
Fixed rate borrowings	4,924	4,924

The Company has entered in Interest rate swap for certain loan to monitor foreign currency interest exposure.

(b) Sensivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	As at 31st March 2022	As at 31st March 2021
Increase in interest rates by 50 basis points (50 bps) #	(78)	(78)
Decrease in interest rates by 50 basis points (50 bps) #	78	78

Holding all other variables constant

Note 39: Capital Management

Risk Management

The Company aims to manage its capital efficiency so as to safeguard its ability to continue as going concern and to optimise returns to the shareholders.

The Company's objective for capital management is to maximize shareholders wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity , borrowings and operating cash flows as required. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell asssets to reduce debt.

Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants, of which all have not been complied with as at Balance Sheet date. However, the banks have not withdrawn the facilities.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 40: Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at 31st March 2022	As at 31st March 2021
Current		
Financial Assets		
Trade Receivables	6,136	7,051
Cash and Cash Equivalents	2,086	2,123
Other Financial Assets	34	34
Non-financial Assets		
Inventories	5,040	8,358
Other Current Assets	2,318	2,053
Total Current assets	**15,614**	**19,619**
Non-current		
Property, Plant and Equipment**	10,962	11,498
Capital Work-in-progress	-	1
Investment Properties	355	358
Other Intangible Assets	4	4
Trade Receivables	767	450
Other Financial Assets	271	140
Other Non-Current Assets	128	140
Total Non-current Assets	**12,488**	**12,591**
Total Assets pledged as Security	**28,102**	**32,210**

* rounding off norm adopted by the Company

** Pursuant to the Scheme of Arrangement between the Company and McNally Bharat Engineering Company Limited (MBECL), the holding company, the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain property, plant and equipment of the Company (net written down value as at 31.03.2022 of Rs. 457 lacs (31.03.2021 Rs. 472 lacs) comprised in erstwhile Product Division of MBECL (Kumardhubi Unit 1) and Rs 203 lacs(31.03.2021 Rs. 228 lacs) are excluded for ROU Assets from Property , Plant and Equipment recognised as per IND AS 116. [Refer Note 52]

Note 41: Earnings Per Share

	31-Mar-22	31-Mar-21
Basic Earnings per Share		
Net Profit/(Loss) after tax (Rs in Lakhs)	(4,124)	981
Weighted average number of equity share used as the denominator in calculating basic earnings per share.	1,25,89,273	1,25,89,273
Basic Earnings per Share (in Rs.)	**(32.76)**	**7.79**
Diluted Earning per Share		
Net Profit/ (Loss) (Rs in Lakhs)	(4,124)	981
Weighted average number of equity share used as the denominator in calculating diluted earnings per share*	1,25,89,273	1,25,89,273
Diluted Earning per Share (in Rs.)	**(32.76)**	**7.79**
Weighted average number of shares used as the denominator		
Weighted average number of equity share at the beginning of the year	1,25,89,273	1,25,89,273
Weighted average number of equity share issued during the year	-	-
Weighted average number of equity share at the end of the year	1,25,89,273	1,25,89,273

*Compulsorily convertible preference shares has not been considered for Diluted Earning per share being anti dilutive in nature.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 42: Commitments

(a) Capital Commitments

There is no capital commitment as at Balance Sheet date.

(b) Lease

Recognition

All leases taken as lessee, except leases for short-term and leases of low value assets, shall be recognized in the Standalone Financial Statements as an asset (Right-of-Use asset) and a corresponding Lease Liability (as borrowings) by discounting the lease payments over the lease term. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the Standalone Statement of Profit and Loss, unless the same are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. i) The Lease Liability shall be measured at the present value of all the lease payments due over the lease term.ii) The Right-of-Use Asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located.iii) Discount rate to be used shall be the rate implicit in the lease. If it is impracticable to determine the implicit rate, MSEL incremental borrowing rate for the quarter earlier to the quarter in which the lease is entered is used.iv) In case of composite contracts, the lease and non-lease components needs to be segregated (unless impracticable) as per relative standalone prices and only lease component needs to be discounted. If segregation of contract is impracticable, the entire component will be treated as lease component and shall be discounted accordingly.Subsequently, at each balance sheet date, the right-of-use asset shall be depreciated and lease liability shall be increased by interest amount & decreased by amount paid.

i) As Lessee

Nature of Leasing Activities

The Company has entered into lease arrangements such as lands and buildings for purpose of its plants, facilities, offices.

Details of some significant leases (including in substance leases) are as under;

a. Company have enetred into lease arrangement for lease of land for Office Space.

Amount Recognized in the Standalone Statement of Profit and Loss Account or Carrying Amount of Another Asset

Particulars	2021-22	2020-21
Depreciation recognized	25	25
Interest on lease liabilities	29	29
Expenses relating to short-term leases & of low-value assets	12	29
Total cash outflow for leases	52	69
Additions to ROU during the year	-	-
Net Carrying Amount of ROU at the end the year	177	203

The details of ROU Asset included in PPE (Note 3) held as lessee by class of underlying asset (excluding those covered in Investment property) is presented below :-

Asset Class	Items Added to ROU Asset as on 01.04.2021*	Additions to ROU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2021
Office Space	**203**	**-**	**25**	**177**
Total	**203**	**-**	**-**	**203**

Application of this standard has resulted a net decrease in Profit before Tax for the period April - Mar 2022 by Rs.14 lacs (increase in Depreciation & Amortization expenses , Finance Cost and Misc Income by Rs.25 lacs,Rs 29 lacs Rs 1 lacs respectively and decrease in Other Expenses i.e Rent Expenses by Rs.39 lacs)

ii) As Lessor

Operating Lease

The lease rentals recognized as income in these statements as per the rentals agreements:

Particulars	2021-22	2020-21
Lease rentals recognized as income during the year	48	48

These relate to Land subleased to McNally Bharat Engineering Company Limited for use of its business . Asset class wise details have been presented under Note 5: Investment Properties

Note 43: Details of dues to Micro and Small Enterprises

Particulars	31st March 2022	31st March 2021
(i) Principal Amount due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end**	345	212
ii) Interest due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	55	8
iii) Principal amount paid to suppliers registered under the MSMED Act, 2006 beyond the appointed day	57	136
iv) Interest due and payable for principal already paid	2	8
v) Total interest accured and remainning unpaid at the end of each accounting year	57	16
vi) Amount of futher interest remanning due and payable even in the succeeding years	146	16

*The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Company. Managment has not recognised interest on disputed parties.

**Amount of Rs 8 Lakh (2021: Nil Lakhs) included in Note no-21 Other Financial Liabilities.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 44

Revenue Expenditure on Research and Development Rs. NIL (31.03.2021 Nil)

Note 45

The Company is primarily engaged in a single business segment, viz. "manufacturing and designing of engineering products" and predominantly operates in one Geographical segment. Hence, in the opinion of the Chief Operating decision maker as defined under Note 1, the Company's operation comprises of only one reporting segment. Accordingly, there are no separate reportable segments, as per Indian Accounting Standard 108 on "Segment Reporting"

Disclosure required under Ind AS 108 " Operating Segments" for Companies with single segment are as follows :

	31st March 2022	31st March 2021
Revenue from Customers		
- India	14,772	14,880
- Outside India	962	1,605
Total Assets		
- India	36,603	40,983
- Outside India	283	142

External customers individually accounting for more than 10% of the revenues have generated Nil revenue from operations for the Company in the current year (Year ended 31 March, 2021-Nil)

Note 46 : Related Party Transactions

a) **Where control exists**
Holding Company
McNally Bharat Engineering Company Limited (MBECL)

b) **Others**

i) **Wholly Owned Subsidiary**
MBE Coal & Mineral Technologies India Private Limited (MCMTI)

ii) **Fellow subsidiaries**
McNally Bharat Equipments Limited #
MBE Mineral Technologies Pte Limited #
MBE Minerals Zambia Ltd #

iii) **Post employment benefit plan of the Company**
McNally Bharat Executive Staff Gratuity Fund (MBESGF)
McNally Bharat Employees Provident Fund (MBEPF)

iv) **Key Managerial Personnel**
Mr. Purajit Roy – Chief Financial Officer
Mr. Saikat Ghosh - Company Secretary
Mr. Aseem Krishanmohan Srivastav- CEO & Whole Time Director (Resigned w.e.f 19-05-2022)
Mr. Nilotpal Roy - Non Executive independent director
Ms. Kastruri Roy Choudhury - Non Executive independent director

v) Key Managerial Personnel of Holding Company
Mr. Aditya Khaitan – Chairman
Mr. Srinivash Singh – Managing Director (Suspended)
Mr. Brij Mohan Soni - Chief Financial Officer
Mr. Rahul Banerjee - Company Secretary (Resigned w.e.f 22-10-2021)
Ms. Indrani Roy- Company Secretary (Appointed w.e.f 7-12-2021)

No transactions during the year.

(c) **Transactions with related parties:**

The following transactions occurred with related parties:

	31st March 2022	31st March 2021
Sale of Products and Services - MBECL#	65	450
Sale of Products and Services - MCMTI#	-	163
Rental Income - MBECL	48	48
Reimbursement of Expenses (received) - MBECL	18	31
Purchase of goods/Fixed Assets and services - MBECL#	1	1,205
Purchase of goods services - MCMTI#	18	11
Reimbursement of Expenses (Paid) - MBECL	-	2
Rental and Other Charges-MBECL	30	22
Remuneration paid to Key Managerial Personnel:		
Mr. Pradip Kumar Tibdewal – Whole Time Director	-	52
Mr. Aseem Krishanmohan Srivastav- CEO & Whole Time Director	84	32
Mr. Uttam Tekriwal – Chief Financial Officer	-	9
Mr. Purajit Roy – Chief Financial Officer	70	40
Mr. Saikat Ghaosh - Company Secretary	6	5
Sitting Fees Paid		
Mr. Nilotpal Roy - Non Executive independent director	-	1
Ms. Kastruri Roy Choudhury - Non Executive independent director	-	1
Contribution to Fund - MBESGF	40	44
Contribution to Fund - MBEPF*	89	96

Exclusive of GST
*Considered only Employer Contribution

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

(d) Outstanding balances arising from sales/ purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

		31st March 2022	31st March 2021
Trade Receivables			
MBECL		88	-
MCMTI		214	253
Advance to Supplier			
MBECL		116	-
MCMTI		8	8
Trade Payable			
MCMTI		135	138
Other Payable			
MBECL		22	-
Advance from Customber			
MBECL		3,267	3,126
Investments			
MCMTI		2,700	2,700
Outstanding Corporate Guarantee Given			
MBECL		5,950	5,950
Outstanding Corporate Guarantee Received			
MBECL		5,000	5,000
Remuuneration Payable/ (Receivable)	**Designation**		
Mr. Aseem Krishanmohan Srivastav	CEO & Whole Time Director	(*)	11
Mr. Purajit Roy	Chief Financial Officer	-	4
Mr. Saikat Ghosh	Company Secretary	-	*

* Amount is below rounding off norm adopted by the Company

Notes :

(a) Provision for employee benefits, which are based on actuarial valuation done on an overall basis for the Company as a whole, hence the employee benefit cost as per Ind AS 19 for key managerial personnel is not available . The amount disclosed reflects the total cost to the Company for the key managerial personnel.

(b) Transactions with related parties mentioned above are as per terms and contracts approved by the Committee of Creditors (COC). All transactions disclosed above were made on normal commercial terms and condtions and wherever applicable linked with market rates .

(c) All outstanding balances are unsecured and repayale / receivable in cash.

Note 47

Pursuant to the application under section 7 of Insolvency and Bankruptcy Act, 2016 filed by the Financial Creditors, being CP No.131/KB/2020, the NCLT Court, Kolkata Bench, while disposing of, admitted the application vide its order dated 11th February, 2021 and issued directions to initiate Corporate Insolvency Resolution Process (CIRP) against the Company. CA Jitendra Lohia (IBBI/IPA/P00170/2017-18/10339) was initially appointed as the Interim Resolution Professional in the said matter. Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was also preferred against the said NCLT Court Order. The NCLAT vide its interim order on this appeal granted a stay on the constitution of Committee of Creditors ("CoC") until its final order in the matter. The Hon'ble NCLAT vide it's final order dated 29th November, 2021 disposed of the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which held it first meeting on 14th December, 2021. At the said Meeting of the CoC all the resolutions including appointment of Interim Resolution Professional CA Jitendra Lohia as Resolution Professional were approved by e-voting by its requisite majority.

The CIRP under Insolvency and Bankruptcy Code, 2016 is in progress. However, the Standalone Financial statements has been prepared on going concern basis.

Note 48

The World Health Organization (WHO) declared outbreak of COVID-19 as a global pandemic on 11th March, 2020. Consequent to this, Government of India (GOI) had declared a national lockdown on 24th March, 2020 which got extended from time to time. The COVID- 19 has significantly impacted business operations of the Company, by way of interruption in the business operations, supply chain disruption, limited availability of human resource etc. However, post lockdown, the operations having resumed gradually in a phased manner following directives from the GOI as well as State Governments, the business of the Company is regaining normalcy in terms of volume as well as cash flow. The Company has evaluated its liquidity position and recoverability and carrying value of its Non-Current & Current Assets and has concluded that no material adjustments are required at the current stage as it is due to Covid-19 pandemic exclusively, except the adjustment stated in Point 49 and Point 50 below. Notwithstanding the dependence on these material uncertain events, the Company continues to prepare the Financial Statements on a 'Going Concern' basis.

Note 49

The financial performance of the Company having been adversely affected due to downturn of the infrastructure and core sector, working capital constraints and external factors beyond the Company's control followed by unprecedented situation precipitated by the outbreak of COVID-19 pandemic resulting in accumulation of non-moving and slow-moving inventories, complete evaluation of such inventories, including physical verifications vis-à-vis fair estimates of Net Realizable Value (NRV) of the stock of Raw Materials, Stores and Work in Progress have been conducted. Based on the above evaluation, some items of Raw Material Stock and Work in Progress of estimated value of Rs. 3075 Lakhs in aggregate are considered and charged as Exceptional Items in the Statement of Financial Statements of the Company.

Note 50

Trade Receivables, advances to suppliers and expenses recoverable are subject to confirmation, reconciliation and settlement of certain disputes from respective parties and consequential reconciliation and adjustments arising therefrom, if any. The management, however does not expect any material variation. Management is also hopeful for recovery/realisation of these assets in the normal course of business. Hence, in view of the management, short-term financial assets and liabilities are stated at carrying value which is equal to their fair value.

Based on critical review of the prospects of realisability of the long pending outstanding receivables towards sales / services rendered as well as advances to vendors / contractors considered as doubtful amounting to Rs. 1,986 lakhs have been charged under the head "Other Expenses" in the Financial Statement of the Company.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 51

The Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on their debts. The Company has not recognised interest expense on Bank and Inter-Corporate Borrowings for the financial year ended 31st March 2021 amounting to Rs. 6747 Lakhs and Rs. 1260 Lakhs respectively. The CIRP has since been initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks and in the process, based on the claims submitted by the lender banks, the claims admitted by the Resolution Professional, uploaded in the Company's website, are Rs.22,019 lakhs in respect of loan facility, Rs 1220 lakhs for uninvoked Bank guarantees (but excluding admitted claims of the financial creditors relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Company had issued a corporate guarantee and created exclusive first charge on the fixed assets of Kumardhubi Unit-1) and Rs.63 lakhs against Inter-Corporate Borrowing claims. Operational Creditors have also filed claims. Based on last updated list of creditors a summary is provided as under:-

Sl no.	Category of Creditors	Summary of Claims Received		Summary of Claims Admitted	
		No. of Claims	in INR(lakhs)	No. of Claims	in INR(lakhs)
1	Financial Creditors (Excluding Corporate Guarantees)	15	41,489	14	23,302
2	Operational Creditors	378	19,605	356	7,513
3	Workmen and Employee	3	2	3	-
	Total	**396**	**61,096**	**373**	**30,815**

The order dated 11.02.2021 imposes moratorium, in accordance with Section 14 of the code, and no interest is serviced during the CIRP period on the loan outstanding as of the CIRP commencement date.The amount of claim admitted by the Resoluation Professional may be different from the amount reflecting in the financial statements of the company as on 31st March 2022. Pending final outcome of the CIRP, no adjustments have been made in this financial statement for the differential amount, if any.

Note 52

In earlier years, the Company had issued a corporate guarantee in favour of the lender banks of the Holding Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardhubi Unit-1 having a book value of Rs. 457 lacs as on 31st March, 2022. On commencement of Corporate Insolvency Resolution Process initiated against the Company under the Insolvency and Bankrupcy Code, 2016, the lender Banks of the Holding Company have duly submitted their claims (Principal and Interest) in respect of the borrowings of the Holding Company in default and the admitted claims thereof, amounting to Rs. 6189 Lakh in agrregate are stated hereunder :

Name Of Bank	Details of claim received	Details of claim admitted
ICICI Bank Limited	25,237	562
State Bank Of India	46,519	1,036
DBS Bank India Ltd	132	3
IDBI Bank Ltd	33,794	752
Bank Of India	56,876	1,266
DCB Bank Ltd	1,147	26
Bank Of Baroda	6,267	140
Indian Bank	11,208	250
Canara Bank	3,900	87
Axis Bank Ltd	47,196	1,051
Union Bank of India	19,973	445
Punjab National Bank	25,761	573
Total	**2,78,011**	**6,189**

However, pending confirmation of the Resolution Process initiated against the Company under the Insolvency and Bankrupcy Code, 2016, no provisions against the admitted claims of the lender banks of the Holding Company have been made in the accounts.

Note 53

Due to economic downturn with the outbreak of COVID-19 pandemic, the net worth of the wholly owned subsidiary, MBE Coal and Mineral Technologies India Private Limited has been fully eroded resulting in consequential impairment in the investment of the Company to be lower than the cost as on the date of the Financial Statement. However, in view of established brand value of its products and potential business prospects of the subsidiary as well as the company undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, the impairment to the investment holding in the subsidiary has not been recognized in the Financial Statement of the Company.

Note 54

The Company's operation with DBS Bank carried out through the Cash Credit Account, was frozen at outstanding dues of Rs. 1219 lakhs, in earlier year and recognised as Borrowings under 'Current Liabilities'. The realization of Rs. 391 lakhs thereafter in the said account was accounted for and shown as Cash and Cash Equivalent under Current Assets.

Similarly, with the commencement of CIRP, the outstanding balances as on the date of the commencement of CIRP (11th February, 2021) in other banks' Cash Credit Accounts have also been frozen and subsequent reduction in the outstanding balances in these Cash Credit Accounts aggregating to Rs 26 Lakhs(including Rs 6 Lakhs pertaining to earlier year) as on 31st March, 2022 have been included in Cash & Cash Equivalents under 'Current Assets' so as to reflect the Borrowings under 'Current Liabilities' at the frozen outstanding Cash Credit balance as of 11th February, 2021.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

SL.No	Particulars	Numerator	Denominator	Numerator	Denominator	31-03-2022	Numerator	Denominator	31-03-2021	Variation (in%)	Reasons (If Variance is more than 25%)
1	Current Ratio	Current Assets	Current Liability	15,667.58	31,206.22	0.50	19,737.37	31,278.40	0.63	(20.44)	-
2	Debt - Equity Ratio	Total Debts (Including Lease liability)	Shareholder's Equity (Including OCI)	21,072.11	5,166.39	4.08	21,085.54	9,281.41	2.27	79.54	During the year Loss of Rs 4,115 Lakhs has reduced Share holder funds resulting in Increase in ratio.
3	Debt Service Coverage Ratio	Earning available for debt service	Debt Service	(3,492.97)	21,072.11	(0.17)	1,920.28	21,085.54	0.09	(282.02)	There is a Loss of Rs 4,115 Lakhs by the company. Also the Company has no sufficient earning to serve the debts.
4	Return on Equity Ratio	Net Profit after Tax (including OCI)	Average Share Holder Fund	(4,114.41)	7,223.90	(0.57)	982.41	8,790.21	0.11	(609.62)	Due to higher operating losses during the current year in comparison to the corresponding previous year.
5	Inventory Turnover Ratio	Sales	Avg Inventory	15,733.71	6,699.16	2.35	15,842.00	9,087.50	1.74	34.72	Decrease in value of Inventories by Rs 3075 Lakhs as valuation losses in comparison to last year resulting in higher ratio.
6	Trade Receivable turnover Ratio	Sales	Average Trade Receivables	15,733.71	7,201.76	2.18	15,842.00	7,318.93	2.16	0.93	-
7	Trade payable turnover Ratio	Purchase of Goods and Service	Average Trade Payable	8,798.95	5,126.92	1.72	7,037.00	4,887.53	1.44	19.20	-
8	Net capital turnover Ratio	Sales	Working Capital	15,733.71	(15,538.64)	(1.01)	15,842.00	(11,541.03)	(1.37)	(26.23)	During the year there is reduction of Rs 4070 Lakhs in the Current Assets with almost same revenue in both the years resulting in lower negative Capital turnover ratio
9	Net profit Ratio	Net Profit	Sales	(4,114.41)	15,733.71	(0.26)	982.41	15,842.00	0.06	(521.69)	Due to higher operating losses during the current year in comparison to the corresponding previous year.
10	Return on Capital Employed	Earning before interest and taxes (EBIT)	Capital Employed	(4,117.34)	26238.49	(0.16)	1,010.97	30,364.94	0.03	(571.32)	Due to higher operating losses during the current year in comparison to the corresponding previous year.
11	Return on Investment	Return on Investment	Total Investment	-	2,700.00	-	-	2,700.00	-	-	During the year there is no change in value of investment, so the Management has not calculated this ratio.

Earning available for debt service Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

Debt Service Interest & Lease Payments + Principal Repayments.

Capital Employed Tangible Net Worth + Total Debt + Deferred Tax Liability

Tangible Net Worth = Total Assets-Intangible Assets -Total Liability

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 56

The Company had recognised Deferred Tax Assets amounting to Rs. 5,397 lakhs upto 31st March, 2019. Under the present circumstances, as stated in point 47 above, Company had not recognised Deferred Tax Assets thereafter taking a conservative approach.

Note 57

Under the CIRP, pursuant to provisions of Insolvency & Bankruptcy Code 2016, the claims submitted by the operational creditors of the Company as admitted and duly disclosed in the public domain are net of advances lying unadjusted to such operational creditors as on the date of commencement of CIRP (11th February,2021). However, the said adjustment of advances against the liabilities due to the operational creditors has not been considered in the financial statement prepared as per the provision of Schedule-III to the Companies Act 2013.

Note 58

The Central Goods & services tax commissioner of Bolpur has carried out investigation against the company for availing irregular Input tax credit and issued summons dated 8th Feb,2020 under section 70 of the CGST Act directing the company to pay Rs 866.90 Lakhs. Further, the department has blocked Rs 10.47 lakhs and company has paid Rs 46 Lakhs only through DRC-03 to the department by debiting the balance available in GST portal without taking any accounting effect in the books . Thereafter the department has made instructions to the company to pay the balance amount within fifteen days from the receipt of the summon.After that the company was admitted into NCLT and in view of the ongoing Corporate Insolvency Resolution process, the RP has requested not to block any further credit and thus the company has not paid the said amount.

Note 59

Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with Companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 2013.

(iii) The Company has not given guarantee during the year . Hence the company has not created charge or satisfaction of Charge with ROC .

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned to or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intemediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has no such transaction unrecorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961 Such as , search or survey or any other relevant provision of the Income Tax Act, 1961.

Note 60

There are no significant subsequent events that would require adjustments or disclosures in the Standalone Financial Statements as on the date of approval of these Standalone Financial Statements.

Note 61

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signature to the Notes 1 to 61
As per our Report of even date

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

For McNally Sayaji Engineering Ltd

(D.Pal Choudhury)
Partner
Membership No: 016830

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Place : Kolkata
Date : 27th May 2022

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of McNally Sayaji Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the accompanying Consolidated Financial Statements of McNally Sayaji Engineering Limited (hereinafter referred to as "the Holding Company") and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at31stMarch, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements includinga summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us because of the significance of the matter described in the Basis for Adverse Opinion section of our Report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act")in the manner so required and do not give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) rules, 2015 as amended, (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at31st March, 2022, and their consolidated losses, their consolidated total comprehensive income, their consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Adverse Opinion

Non-recognition of Interest Expense

The Holding Company has not recognised interest expense on Bank Borrowings and Inter-Corporate Borrowings amounting to Rs.6,747 Lakhs and Rs.1,260 Lakhs respectively for the financial year ended 31st March, 2021 as referred in Note 53 of the Consolidated Financial Statements. The CIRP has since been initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks and in the process based on the claims submitted by the lender banks, the claims admitted by the Resolution Professional, uploaded in the Company's website are Rs.22,019 lakhs in respect of loan facility (excluding admitted claims of the financial creditors relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Holding Company had issued a corporate guarantee and created exclusive first charge on the fixed assets of Kumardhubi Unit-1) and Rs.63 lakhs against Inter-Corporate Borrowing claims. As a result, finance Costs, liability on account of interest and total comprehensive loss for the financial year ended 31st March, 2021 are understated to that extent.

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

Independent Auditor's Report

We conducted our audit of the Consolidated Financial Statements 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion on the Consolidated Financial Statements.

Material uncertainty related to Going Concern.

We draw attention to Note 50to the Consolidated Financial Statements and Consolidated Statement of Profit and Loss, wherein the Group has reported net loss of Rs. 4,365 Lakhs (excluding Other Comprehensive Loss) during the year ended 31st March, 2022.The Holding Company is currently undergoing Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 "IBC 2016". The ability of the Group to continue as a going concern is solely dependent on the resolution plan to be approved under the provisions of IBC 2016. Based on the management's assessment of the successful outcome the Consolidated Financial Statement has been prepared on going concern basis.

Emphasis of Matters

a) We draw attention to Note 49 to the Consolidated Financial Statements and consolidated statement of profit and loss wherein it has been informed that the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench admitted the Corporate Insolvency Resolution Process (CIRP) against the Holding Company vide an order dated 11th February, 2021. Pursuant to this order, the Power of the Board of Directors were suspended and are excisable by CA Jitendra Lohia. Before the principal bench of the National Company Law Appellate Tribunal("NCLAT") at New Delhi an appeal was preferred against the said NCLT court order. The Hon'ble NCLAT vide it's final order dated 29th November,2021 disposed of the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC), at its first meeting held on 14th December,2021, appointed CA Jitendra Lohia as Resolution Professional by the requisite majority through e-voting.

b) **Management's assessment of impact of COVID-19**

We draw attention to Note 51 to the Consolidated Financial Statements which describes the management's assessment of impact of COVID-19, a global pandemic, on the financial position matters of the Group.

c) **Charges of Exceptional Items**

We draw attention to Note 51 to the Consolidated Financial Statements, based on physical verification and fair estimation of Net Realizable Value of non-moving and slow-moving inventories, complete evaluation of such inventories, including physical verifications vis-à-vis fair estimates of Net

Independent Auditor's Report

Realizable Value of some stock items of Raw Material and Work in Progress of Rs. 3,075 Lakhs aggregate has been charged as exceptional item in the Statement.

d) Recognition of Deferred Tax Assets.

We draw attention to Note 15 of the Statement stating that the Group had recognized deferred tax assets of Rs. 6,234 Lakhs upto 31st March, 2019 expecting adequate future taxable profits to the Group against which the deferred tax assets can be realised, which is solely dependent on the acceptance of the debt restructuring proposal. However, the Group has not recognised further deferred tax assets for the year ended 2020 and 2021 as well as for the preceding years on prudent basis.

e) Corporate Guarantee issued by the Holding Company

We draw attention to Note 54 to the Consolidated Financial Statements regarding corporate guarantee issued by the Holding Company in favour of the lender banks of its Holding Company, McNally Bharat Engineering Company Limited (MBECL) to the extent of value of fixed assets at Kumardhubi Unit-1 having a book value of Rs. 457 Lakhs as on 31st March, 2022. Pending the confirmation of the resolution process initiated against the Company under the Insolvency and Bankruptcy Code, 2016, no provision against the admitted claims of the lender banks of the Holding Company have been made in the Consolidated Financial Statements of the company.

f) Non recognition of liability

We draw attention toNote 36 to the Consolidated Financial Statements regarding the put option agreement entered by the Parent Company with EIG (Mauritius) Limited, of which the Holding Company is also a part. The investor submitted its request for Arbitration to the International Chamber of Commerce Court, Singapore against the Parent Company and the Holding Company as Respondent No. 1 and Respondent No. 2 respectively. The Arbitrator issued a dissenting opinion requiring the respondents to pay damages amounting to Rs. 18,841 lakh (including interest) and legal cost. The award was challenged in the High Court of the Republic of Singapore but the matter was dismissed in favour of EIG (Mauritius) Limited. The claim submitted by EIG (Mauritius) Limited under the Insolvency & Bankruptcy Code 2016 amounting to Rs. 18,111 lakhs has not, however, been admitted by the Resolution Professional.

g) **Non-adjustment of the carrying value of the Loan**

We draw attention to Note 21 to the Consolidated Financial Statements regarding invocation of pledge over 23,37,211 Equity Shares of the Holding Company held by the Parent Company, McNally Bharat Engineering Company Limited by the Lender Bank i.e. ICICI Bank Limited as per their letter dated 27th November, 2020 at a value of Re. 1/- against the Term Loan facility availed by the Holding Company. The Holding Company has objected to such invocation by the Bank vide its Letter dated 15th December, 2020 and not made any adjustment to the carrying value of the Term Loan availed by the Holding Company. The said claim of McNally Bharat Engineering Company Limited not having been admitted by the Resolution Professional of the Holding Company, no provision has been considered in the financial statements of the Group.

Independent Auditor's Report

h) **Non-Adjustment of the Long Outstanding Balances**

We draw attention to Note 52to the Consolidated Financial Statements regarding prospects of realisability of long pending outstanding receivables towards sales / services rendered as well as advances to vendors / contractors whose expected credit losses S been considered and charged under the head "Other Expenses" in the statement of financial results of the Group.

i) Impairment in investment value of Subsidiary Company

We draw attention to Note 55to the Consolidated Financial Statements where thenet worth of its wholly owned subsidiary named "MBE COAL & MINERAL TECHNOLOGY INDIA PVT. LTD " has been fully eroded resulting in consequential impairment in the value of investment of the Holding Company as on the date of the Financial Results under review. However, in view of established brand value of its products and potential business prospects of the subsidiary as well as the company undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, the impairment to the investment by the holding company has not been recognized in the Financial Results of the Group.

j) Current Liabilities and Cash and Cash Equivalent

We draw attention to Note 56 of the Statement regarding the Holding Company's operation with DBS Bank carried out through the Cash Credit Account which was frozen at outstanding dues of Rs. 1219 lakhs in earlier year and recognized as Borrowings under 'Current Liabilities'. The realization of Rs. 391 lakhs thereafter in the said account was accounted for and shown as Cash and Cash Equivalent under Current Assets. Similarly, with the commencement of CIRP, the outstanding balances as on the date of the commencement of CIRP (11th February, 2021) in other banks' Cash Credit Accounts were also been frozen and subsequent reduction in the outstanding balances in these Cash Credit Accounts aggregating to Rs 26 Lakhs (including Rs 6 Lakhs pertaining to earlier year) as on 31st March, 2022 have been included in Cash & Cash Equivalents under 'Current Assets' so as to reflect the Borrowings under 'Current Liabilities' at the frozen outstanding Cash Credit balance as of 11th February, 2022 i.e. the date of COC Meeting.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section and Emphasis of Matters section of our report, we have determined the matters described below to be the key audit matters to be communicated in our Report.

Independent Auditor's Report

Sr. No.	Key Audit Matters	Auditors' Response to Key Audit Matters
1	**Revenue Recognition** (Refer note 1(d) to the Consolidated Financial Statements) Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	Our audit approach was a combination of test of internal controls and substantive procedures which includes the following: • Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. • Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the relevant period.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

IIn the view of ongoing Corporate Insolvency Resolution Process (CIRP), the Resolution Professional (RP) is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Management's Report including Annexures to Management's Report, Corporate Governance and Shareholders Information but does not include the Consolidated Financial Statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

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

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

Independent Auditor's Report

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

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

In view of ongoing Corporate Insolvency Resolution Process ('CIRP'), the Resolution Professional (RP) is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of the Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors(suspended)and Management under the direction of Resolution Professional of the Holding Company included in the Group are responsible for assessing the ability of the Group 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.

The respective Board of Directors and Management under the direction of Resolution Professional of the Holding Company included in the Group are also responsible for overseeing the financial reporting process of each Company.

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

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

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

Independent Auditor’s Report

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to financial statements in place and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor’s Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor’s Report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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 of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

Independent Auditor's Report

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

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

Other Matters

a) We have audited the accompanying financial statements of the subsidiary company included in the consolidated financial statements, whose financial statements reflect total assets of Rs.4790Lakhs as at March 31, 2022, total revenues of Rs.2,049Lakhs and net cash outflow amounting to Rs. 26 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss and Other Comprehensive income of Rs.4343 Lakhs and Rs 35 Lakhs respectively for the year ended March 31, 2022, in respect of this subsidiary whose financial statements/ information have also been audited.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

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 of the Consolidated Financial Statements;

   b) except for the possible effects of the matter described in the Basis for Adverse Opinion Section above , in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and returns;

   c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

Independent Auditor's Report

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

e) on the basis of the written representations received from the directors of the Holding Company and its Subsidiary Company as on 31st March, 2022 and taken on record by the Resolution Professional, none of the directors of the Group companies, is disqualified as on31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act. However in the view of corporate resolution process ("CIRP") from 11th February, 2021, the powers of Board of Directors of the Holding Company stand suspended as per section 17 of the code and such powers are exercised by the Resolution Professional during the year;

f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Subsidiary 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, the remuneration paid/ provided by the Holding Company to its directors during the year is in accordance with the requirements of Section 197 of the Act.

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

   i. except for the possible effects of the matter described in the Basis for Adverse Opinion section above, the Grouph as disclosed the impact of pending litigations on its financial position in the Consolidated Financial Statements (Refer Note 36to the Consolidated Financial Statements).

   ii. the Group did not have any long-term contract including derivative contract for which there were any material foreseeable losses.

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.

   iv. (a) The Management has represented , to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding , whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend 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;

Independent Auditor's Report

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

(c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances , nothing has come to our notice that has caused to us believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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

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

(D. Pal Choudhury)
Partner
Membership No. 016830
UDIN 22016830AJTVPJ3440

Place: Kolkata
Date:27th May, 2022

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of **McNally Sayaji Engineering Limited** on the Consolidated Financial Statements as of and for the year ended March 31, 2022.

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S.No	Name of the Company	CIN	Relationship with Company	Date of respective Audit Report	Clause number of CARO Report which is qualified or adverse remarks
1.	McNally Sayaji Engineering Limited	L28999WB1943PLC133247	Holding	27th May 2022	i(c), ii(b),vii(a), vii(b), ix(a)& xix.
2.	MBE Coal & Mineral Technologies India Pvt Ltd	U27100WB2009PTC137428	Subsidiary	27th May 2022	i(c), vii(a), ix(a) & xix.

Annexure B to the Independent Auditor's Report

Referred to in Paragraph 2(h) on Other Legal and Regulatory Requirements of our Report of even date to the members of McNally Sayaji Engineering Limited on the Consolidated Financial Statements for the year ended 31st March, 2022

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

We have audited the internal financial controls over financial reporting of McNally Sayaji Engineering Limited (hereinafter referred to as "the Holding Company") and its Subsidiary Company (collectively referred to as "the Group") as of and for the year ended 31stMarch, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective management under Corporate Insolvency Resolution Process (CIRP) of the Holding Company and Board of Directors of its Subsidiary Company are responsible for establishing and maintaining internal financial controls over financial reporting based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the financial statements of the Holding Company and its Subsidiary Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its Subsidiary Company.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Company have, 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 31st March, 2022 based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

(D. Pal Choudhury)
Partner
Membership No. 016830
UDIN 22016830AJTVPJ3440

Place: Kolkata
Date: 27th May, 2022

Consolidated Balance Sheet as at 31st March , 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	11,648	12,259
Capital Work-in-Progress	4	20	21
Investment Properties	5	355	358
Intangible Assets	6	6	4
Financial Assets			
Trade Receivables	7	939	622
Other Financial Assets	10	770	478
Deferred Tax Assets(Net)	15	6,234	6,234
Other Non-Current Assets	11	134	148
Total Non-Current Assets		**20,106**	**20,123**
Current Assets			
Inventories	12	5,300	9,156
Financial Assets			
Trade Receivables	7	7,925	9,587
Cash and Cash Equivalents	8	1,978	1,917
Bank Balances other than above	9	116	236
Other Financial Assets	10	720	890
Current Tax Assets (Net)	14	228	266
Other Current Assets	13	2,516	2,798
Total Current Assets		**18,783**	**24,852**
Total Assets		**38,889**	**44,975**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	1,259	1,259
Other Equity			
Reserves & Surplus	17	1,006	5,283
Total Equity		**2,265**	**6,542**
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Borrowings	18	-	3
Lease Liabilities	20	169	182
Trade Payables			
A. Total Outstanding Dues of Micro Enterprises and Small Enterprises	22	-	-
B. Total Oustanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	22	-	1
Provisions	23	145	165
Employee Benefit Obligations	23	347	394
Total Non-Current Liabilities		**661**	**746**
Current Liabilities			
Financial Liabilities			
Borrowings	19	19,000	19,156
Lease Liabilities	20	42	40
Trade Payables			
A. Total Outstanding Dues of Micro Enterprises and Small Enterprises	22	347	212
B. Total Oustanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	22	6,718	6,831
Other Financial Liabilities	21	5,226	5,606
Provisions	23	68	95
Employee Benefits Obligations	23	84	87
Other Current Liabilities	25	4,477	5,660
Total Current Liabilities		**35,962**	**37,688**
Total Liabilities		**36,623**	**38,433**
Total Equity and Liabilities		**38,889**	**44,974**
Significant Accounting Policies	1& 2		

* amount not appearing because of rounding off norm adopted by the Group
The accompanying notes 1 to 63 form an integral part of the Consolidated Financial Statements.
As per our Report of even date.

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

For **McNally Sayaji Engineering Limited**

(D.Pal Choudhury)
Partner
Membership No: 016830

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Place : Kolkata
Date : 27th May, 2022

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
Revenue from Operations	27	17,221	17,772
Other Income	28	895	502
Total Income		**18,116**	**18,274**
Expenses			
Cost of Materials Consumed	29	9,481	7,833
Changes in Inventories of Work-in-progress and Finished Goods	30	(208)	1,367
Employee Benefits Expense	31	2776	3,004
Finance Cost	34	432	389
Depreciation and Amortisation Expense	32	662	951
Other Expenses	33	6,262	4,073
Total Expenses		**19,406**	**17,617**
Profit/(Loss) before Tax and Exceptional Items		**(1,290)**	**657**
Exceptional Items (Refer Note 51)		(3,075)	-
Profit/(Loss) before Tax		**(4,365)**	**657**
Income Tax Expense	33		
- Current tax		-	-
- Tax for earlier years		(22)	-
- Provision written back		-	-
Total Tax Expense		**(22)**	**-**
Profit/(Loss) for the Year		**(4,343)**	**657**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurements of post-employment benefit obligations		35	18
Income Tax relating to these items	33	-	-
Other Comprehensive Income/(Loss) for the year		**35**	**18**
Total Comprehensive Income/(Loss) for the year		**(4,308)**	**675**
Earnings Per Equity Share (Face Value of Rs 10/- each):	38		
- Basic		(34.50)	5.22
- Diluted		(34.50)	5.22

Significant Accounting Policies 1&2

The accompanying notes 1 to 63 form an integral part of the Consolidated Financial Statements
As per our Report of even date

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

(D.Pal Choudhury)
Partner
Membership No: 016830

Place : Kolkata
Date : 27th May, 2022

For **McNally Sayaji Engineering Limited**

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Equity Share Capital

Particulars	Notes	Amount
As at 1st April, 2020	16	1259
Changes		-
As at 31st March, 2021	16	**1259**
Changes		-
As at 31st March, 2022	16	**1,259**

Other Equity

	Reserve and Surplus				Total
	Security Premium Reserve	General Reserve	Retained Earnings	Capital Reserve	
As at 1st April, 2020	5,712	1,520	(9,285)	6,663	4,610
Movement during the year					
Profit/ (Loss) for the year	-	-	657	-	657
Other Comprehensive Income	-	-	18	-	18
Total Comprehensive Income for the year	**-**	**-**	**675**	**-**	**675**
Balance as at 31st March, 2021	5,712	1,520	(8,612)	6,663	5,285
Movement during the year					
Profit/ (Loss) for the year	-	-	(4,343)	-	(4,343)
Change in estimates			32		32
Other Comprehensive Income	-	-	35	-	35
Total Comprehensive Income for the year	**-**	**-**	**(4,276)**	**-**	**(4,276)**
Balance at 31 March, 2022	**5,712**	**1,520**	**(12,889)**	**6,663**	**1,006**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes from 1 to 63.
This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

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

(D.Pal Choudhury)
Partner
Membership No: 016830

Place : Kolkata
Date : 27th May, 2022

For **McNally Sayaji Engineering Limited**

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

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

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Cash flow from Operating Activities		
Profit/(Loss) before Tax	**(4,365)**	**658**
Adjustments for :-		
Depreciation and Amortisation Expense	662	951
Interest Income	(92)	(159)
Finance costs	432	389
Allowance for Doubtful Debts on Trade Receivables / Other Assets	1,898	151
Advances Written off	266	-
Liabilities no Longer Required Written Back	(673)	(99)
Provision no Longer Required Written Back	(1)	(176)
Provision for Warranty	5	4
Provision for Warranty written back	(26)	-
Net Exchange Differences	(12)	3
Cash flow from Operating Activities before change in operating Assets and Liabilities	**(1,905)**	**1,722**
Decrease / (Increase) in Trade and Other Receivables	(508)	574
Decrease / (Increase) in Inventories	3,856	1,614
Increase / (Decrease) in Trade and Other Payables	(640)	(1,401)
Increase / (Decrease) in Employee Benefit Obligation	(213)	(5)
Increase / (Decrease) in Unwinding of interest	61	-
Cash Generated from Operations	**651**	**2,504**
Income Taxes (Paid) / Refund	76	(64)
Net Cash Inflow from Operating Activities	**727**	**2,440**
Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment	(49)	(58)
Interest received	31	159
Fixed Deposit Matured/(Placed)	(19)	(76)
Net cash inflow (outflow) from Investing Activities	**(37)**	**25**
Cash flows from Financing Activities		
(Repayment of) / Proceeds from Borrowings	(196)	(14)
Interest paid	(432)	(389)
Net increase in Cash Credit Facilities including WCDL	-	(665)
Net cash inflow (outflow) from Financing Activities	**(628)**	**(1,068)**
Net increase (decrease) in Cash and Cash Equivalents	**62**	**1,397**
Cash and Cash Equivalents at opening of the period	1,917	521
Cash and Cash Equivalents at end of the period	1,979	1,918
Reconciliation of cash and cash equivalents as per the Statement of Cash Flows		
Cash and Cash Equivalents as per above comprise of the following	**31st March, 2022**	**31st March, 2021**
Cash and Cash Equivalents (Refer Note 8)	1,978	1,917
Balances as per Statement of Cash Flows	**1,979**	**1,918**

Significant Accounting Policies 1&2

The accompanying notes 1 to 63 form an integral part of the Consolidated Financial Statement

1. The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on 'Statement of Cash Flows'.
2. Previous year figures have been rearranged/regrouped wherever necessary.

This is the Consolidated Statement of Cash Flows referred to in our Report of even date

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

For **McNally Sayaji Engineering Limited**

(D.Pal Choudhury)
Partner
Membership No: 016830

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

Place : Kolkata
Date : 27th May, 2022

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

(All amounts are in Rs lakhs, unless otherwise stated)

Corporate Information

The Consolidated Financial Statements comprise ofFinancial Statements of "McNally Sayaji Engineering Limited ("the Holding Company") and its Wholly Owned Subsidiary MBE Coal & Mineral TechnologyIndia Private Limited (collectively referred to as "the Group")" for the year ended 31st March, 2022.

Note 1: Significant Accounting Policies

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

The Hon'ble National Company Law Tribunal(NCLT), Kolkata Bench vide order dated 11/02/2021 while admitting section 7 application under Insolvency and Bankruptcy Code,2016 of ICICI Bank Limited, one of the financial creditors, initiated Corporate Insolvency Resolution Process against the holding company (McNally Sayaji Engineering Limited).

CA JitendraLohia (IBBI/IPA/P00170/2017-18/10339) was initially appointed as the Interim Resolution Professional in the said matter.

Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was also preferred against the said order passed by the Hon'ble NCLT, Kolkata bench. In accordance with the order of the NCLAT on this appeal, a stay on the constitution of Committee of Creditors ("CoC") was imposed till final order in this matter. The Hon'ble NCLAT finally vide its order dated 29.11.2021 disposed of the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which held its first meeting on 14th December 2021. At the said E-voting in the First Meeting of Committee of Creditors all the resolutions including appointment of Interim Resolution Professional CA JitendraLohia as Resolution Professional by requisite majority were approved.

The CIRP under Insolvency and Bankruptcy Code,2016 is in progress.

This note provides a list of significant accounting policies adopted in the preparation of these Consolidated

Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation of ConsolidatedFinancial Statements

(i) Compliance with Ind AS

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

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

(ii) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) measured at fair value; and
- Defined benefit plans – plan assets measured at fair value.

(iii) Operating Cycle

All assets and liabilities have been classified as current or non - current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in Cash & Cash Equivalents, the group has ascertained, on an average its operating cycle for the purpose of current – non-current classification of assets and liabilities to be 12 to 24 months.

(iv) Use of estimates and judgements

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

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

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

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the ChiefOperating Decision Maker. The Chief Operating Decision Maker(CODM) comprises of the Whole time Director and the Chief Financial Officer. The CODM review's the Group's performance on the analysis of profit before tax on an overall level. Accordingly, there is no other separate reportable segment than the geographical segment as defined by Ind AS 108 "Operating Segments"

(c) Foreign Currencies

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

(i) Functional Currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The ConsolidatedFinancial Statements are presented in Indian Rupee (INR), which is theHolding Company's functional currency.

(ii) Transactions and balances

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

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

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

(d) Revenue Recognition

Revenue is measuredbased on transaction price, which is the fair value consideration received or receivable, stated net of discounts and returns. Transaction price is recognised based on price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

(i) Sale of Goods and Services

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

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

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

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

(ii) Construction Contracts

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

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

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

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

(iii) *Dividend and Interest Income*

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

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

(e) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax expense/ (income).

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used till the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

(f) Leases

At inception of a contract, the Group shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The Group recognizes a Right-of-use Asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, if applicable. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a Lessor

Lease income from operating lease where the Group is a lessor is recognised in income. The respective leased assets are included in the Consolidated Balance Sheet based on their nature.

(g) Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(h) Cash and Cash Equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, Cash and Cash Equivalents include cash on hand, demand deposits, other short-term, highly liquid investments 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 ConsolidatedBalance Sheet.

(i) Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

(j) Inventories

Inventories consists of raw materials and components, stores and spares, loose tools, work in progress and finished goods and are stated at lower of cost or net realizable value. Cost of inventories comprises cost of purchases. Cost of work in progress and finished goods comprise direct material, direct labour and an appropriate portion of variable and fixed overhead expenditure. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Cost of purchases inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, slow moving and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

(k) Financial Liabilities

Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

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

(ii) Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as required by Ind AS 109. All financial liabilities are recognised initially at fair value and, in the case of liabilities measured at amortized cost net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

(l) Investments and Other Financial Assets

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit or loss, and
- Those measured at amortized cost.

The classification depends on the group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses will be recorded in theConsolidated Statement of Profit and Loss. For Investments in debt instruments, this will depend on the business model in which the investment is held.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

Investment in Subsidiary is recognized at cost as per Ind AS 27 "Separate Financial Instruments" less impairment provision, if any, as per Ind AS 36 "Impairment of Financial Assets".

Debt instruments measured at amortized cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of Financial Assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group provides for expected credit loss allowance by taking into consideration historical trend, industry practices and the business environment in which the Group operates. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

For trade receivables and dues from customers, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when the contractual rights to receive the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(m) Derivatives that are not designated as hedges

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Such contracts are accounted for at fair value through profit or loss and are included in other gains / losses. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(n) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the ConsolidatedBalance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(o) Property, Plant and Equipment

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if:

i. it is probable that future economic benefits associated with the item will flow to the entity; and

ii. the cost of an item can be measured reliably.

Freehold land is carried athistorical cost. All other items of property, plant and equipment are stated athistorical cost less depreciation and impairment, if any. Historical costincludes expend it urethatis directly attribut able to the acquisition of the items.

Subsequent costs are included in th easset's carrying amount or recognized as aseparate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance including spare parts are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

- *Depreciation methods, estimated useful lives and residual value*

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Act, which are also supported by technical evaluation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Freehold Land and Leasehold Land (perpetual lease) are not depreciated. Other leasehold land is amortized over the period of lease.

- *Impairment of Property, Plant & Equipment*

An asset's carrying amount is written down immediately to its recoverable amount if, and only if, the recoverable amount of an asset is less than its carrying amount and an impairment loss shall be recognized immediately in the Consolidated Statement of Profit and Loss. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Standalone Statement of Profit and Loss within other gains/ losses.

(p) Investment Properties

Property that is held for long term rental yields or for capital appreciation or both, and is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to Statement of Profit andLoss during the reporting period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced cost is derecognized.

Investment properties are depreciated using straight line method over the estimated useful lives.

(q) Intangible Assets

(i) Design and Drawings, Technical knowhow and other rights

Separately acquired Design and Drawings, Technical knowhow and other rights are shown at historical cost.

(ii) Computer software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Cost of purchased software are recorded as intangible assets and amortized from the point at which the asset is available for use.

(iii) Research and Development

Expenditure on Research and Development that does not meet the criteria laid out in the standard are recognized as expenses as and when incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent period.

(iv) Amortisation methods and periods

The Groupamortises technical know-how over a period of five years and designs and drawing power over a period of seven years under straight line method. Computer software are amortised on a straight line basis over a period of two to five years depending upon its useful lives.

(r) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 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.

(s) Borrowings

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 24 months after the reporting period.

(t) Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale.

Other borrowing costs are expensed to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(u) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of the obligation can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre – tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted. The increase in the provision due to the passage of time is recognised as interest expense in the Consolidated Statement of Profit and Loss.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or amount of the obligation cannot be measured with sufficient reliability.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

(v) Employee Benefits

(i) Short-term Employee Benefits

Short term Employee Benefits (i.e. benefits falling due within one year after the end of the period in which employee render the related service) are recognized as expense in the period in which employee services are rendered as per the Group's scheme based on expected obligations on undiscounted basis.

(ii) Other Long-term Employee Benefits

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Consolidated Statement of profit or loss.

(iii) Post-employment Benefit Plans

-*Provident Fund*

This is a defined contribution plan for certain employees and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to the profit or loss in the period in which there lated employee services are rendered. The Grouph as no further obligations for future Provident Fund benefits other than its monthly contributions.

Certain employees of the Group receive provident fund benefits, which are administered by the independent Provident Fund Trust. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employees and the Group make monthly contributions at specified percentage of the employees' salary to such Provident Fund Trust. The Group has an obligation to fund any shortfall in return on plan assets over the interest rates prescribed by the authorities from time to time. In view of the Group's obligation to meet the shortfall, there is a defined benefit plan. Actuarial valuation of the Group's liability under such scheme is carried out under the Projected Unit Credit Method at the year end and the charge/ gain, if any, is recognized in the proût or loss.

- *Super annuation Fund*

This is the defined contribution plan. The Group contribute sacerta in percentage of the eligible salary for employees covered under the scheme towards super annuation fund administered by the Trustees. The Group has no further obligations for future super annuation benefits other than its contributions and recognizes such contributions as expense in the period in which there lated employee services are rendered.

- *Gratuity*

This is a defined benefit plan. The schemes, which are funded with SBI Life Insurance Co. Ltd. and Life Insurance Corporation of India (LIC), are administered by independent trusts. The liability is determined based on year-end actuarial valuation using Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yield sat the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profi tand Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

- *Bonus plans*

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

(w) Earnings Per Share

(i) Basic Earnings Per Share

Basic Earnings per Share is calculated by dividing:

- Profit/ (Loss) attributable to equity shareholders of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for the effect of all dilutive potential equity shares.

(ii) Diluted Earnings Per Share

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

- Profit/(Loss) 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.

(x) Principles of Consolidation and Equity Accounting

-*Subsidiaries*

Subsidiaries are entities over which the group has control. The group controls anentity when the group is exposed to or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct there levant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non- controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of proût and loss, consolidated statement of changes in equity and balance sheet respectively.

The Consolidated Financial Statements represents consolidation ofFinancial Statements ofMcnallySayaji EngineeringLimited (the Holding Company) and its following subsidiary.

Name of the Subsidiary: MBE Coal & Mineral Technology India Private Limited (MCMTI)

Country of incorporation : India

Proportion of Ownership interest : 100%

Rounding off amounts

All amounts disclosed in the Consolidated Financial Statements and note have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures relating to contingent liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Consolidated Financial Statements. Accounting estimates could change from period to period. Actual results could differs from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated Financial Statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

In the process of applying the group's accounting policies, the following management estimates, judgements and assumptions, have a significant effect on the amounts recognised and disclosed in the Consolidated Financial Statements:

1. Going Concern Assumptions in the preparation of the Consolidated Financial Statements.
2. Expected Cost of Completion of Contracts.
3. Fair Value Measurement of Financial Instruments.
4. Recognition of Deferred Tax Assets for carried forward tax losses
5. Impairment of Trade Receivables and due from customers
6. Provisions, Claims and Contingent Liabilities
7. Estimation of Defined Benefits Obligation
8. Useful life of Property, Plant and Equipment

Estimates and judgements are continually evaluated on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 2: Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures relating to contingent liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Consolidated Financial Statements. Accounting estimates could change from period to period. Actual results could differs from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated Financial Statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements.

In the process of applying the group's accounting policies, the following management estimates, judgements and assumptions, have a significant effect on the amounts recognised and disclosed in the Consolidated Financial Statements:

1. Going Concern Assumptions in the preparation of the Consolidated Financial Statements.

2. Expected Cost of Completion of Contracts.

3. Fair Value Measurement of Financial Instruments.

4. Recognition of Deferred Tax Assets for carried forward tax losses

5. Impairment of Trade Receivables and due from customers

6. Provisions, Claims and Contingent Liabilities

7. Estimation of Defined Benefits Obligation

8. Useful life of Property, Plant and Equipment

Estimates and judgements are continually evaluated on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

Note 3: Property, Plant and Equipment

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars	GROSS CARRYING AMOUNT					ACUMULATED DEPRECIATION					NET CARRYING AMOUNT	
	As at 1st April, 2021	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2022	Upto 1st April, 2021	For the Year	Other Adjustments	Sales/ Disposal	upto 31st March 2022	As at 31st March, 2022	As at 31st March, 2021
Lease hold Land	2,529	-	4	-	2,533	273	21	(10)	-	285	2,248	2,256
Free hold Land	289	-	-	-	289	-	-	-	-	-	289	289
Building	13,365	-	2	-	13,367	4,748	430	4	-	5,182	8,184	8,616
Plant and Machinery	8,463	38	(82)	-	8,419	7,689	141	(101)	-	7,729	690	775
Plant and Machinery - Windmill	764	-	-	-	764	737	12	11	-	760	4	27
Furniture and Fixture	348	1	20	-	369	328	18	5	-	351	18	20
Refrigerators and Air Conditioners	87	-	11	-	98	52	1	42	-	95	3	35
Office Equipments	255	5	(40)	-	222	232	5	(38	-	199	23	14
Motor Vehicles	69	-	-	-	69	54	5	(1)	-	58	11	25
Right to Use Assets	253	-	-	-	253	50	25	-	-	76	177	203
Computers	23	-	-	-	23	23	0	-	-	23	-	1
As at 31 March, 2022	**26,445**	**44**	**(85)**	**-**	**26,405**	**14,187**	**659**	**(89)**	**-**	**14,757**	**11,648**	**12,259**

* Amount is below the rounding off norms adopted by the Group.

Pursuant to the Scheme of Arrangement between the Parent Company and McNally Bharat Engineering Company Limited (MBECL), the holding company, the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain property, plant and equipment of the Company (net written down value as at 31.03.2022 of Rs. 457 lakhs , 31.03.2021 Rs. 472 lakhs) comprised in erstwhile Product Division of MBECL(Kumardhubi Unit 1)[Refer Note 36]

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT	
	As at 1st April, 2020	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2021	Upto 1st April, 2020	For the Year	Other Adjustments	Sales/ Disposal	upto 31st March 2021	As at 31st March, 2021	As at 31st March, 2020
Lease hold Land	2,529	-	-	-	2,529	215	57	-	-	272	2,257	2,314
Free hold Land	289	-	-	-	289	-	-	-	-	-	289	289
Building	13,365	-	-	-	13,365	4,212	536	-	-	4,748	8,617	9,153
Plant and Machinery	8,441	45	-	-	8,486	7,397	316	-	-	7,713	773	1,044
Plant and Machinery - Windmill	764	-	-	-	764	737	-	-	-	737	27	27
Furniture and Fixture	345	3	-	-	348	317	11	-	-	328	20	28
Refrigerators and Air Conditioners	87	-	-	-	87	67	-	(15)	-	52	35	20
Office Equipments	247	8	-	-	255	229	11	-	8	232	23	18
Motor Vehicles	77	-	-	8	69	48	6	-	-	54	15	29
Right to Use Assets	253	-	-	-	253	25	25	-	-	50	203	228
As at 31 March, 2021	**26,397**	**56**	**-**	**8**	**26,445**	**13,247**	**963**	**(15)**	**8**	**14,187**	**12,259**	**13,150**

* Amount is below the rounding off norms adopted by the Group.

Pursuant to the Scheme of Arrangement between the Parent Company and Mcnally Bharat Engineering Company Limited (MBECL), the holding company, the existing charges on the assets of the erstwhile Products Division of MBECL for the facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, Cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain property plant and equipment of the company (net written down value as at 31.03.2021 of Rs 472 lakhs, 31.03.2020 Rs. 509 lakhs) comprised in erstwhile Product Division of MBECL(Kumardhubi unit 1)[Refer Note 36]

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 4: Capital Work-in-Progress

	31st March 2022	31st March 2021
Capital Work-in-Progress	20	21
	20	**21**

Capital work-in-Progress ageing Schedule for the year ended March 31st, 2022 & March 31st, 2021

Capital Work-in-Progress	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3Year	Total
31st March 2022					
Software in Development	-	-	-	-	-
Project in Process				20	20
31st March 2021					
Software in Development	1	-	-	-	1
Project in Process	-	-	-	20	20

Note 5: Investment Properties [Leasehold land]

	31st March 2022	31st March 2021
Gross Carrying Amount		
Opening Gross Carrying Amount / Deemed cost	397	397
Disposals / Adjustments	-	-
Closing Gross Carrying Amount	**397**	**397**
Accumulated Amortization		
Opening Balance	39	36
For the Year	3	3
Closing Accumulated Amortization	**42**	**39**
Net Carrying Amount	355	358

(i) Amount recognised in the Consolidated Statement of Profit and Loss for Investment Properties

Particulars	31st March, 2022	31st March, 2021
Rental Income (included under Other Income - Note 28)(Refer Note -46)	48	48
Direct operating expenses on property that generated rental income	(5)	(5)
Profit from Investment Properties before Amortization	**43**	**43**
Amortization	**3**	**3**
Profit from Investment Properties	40	40

(ii) Leasing arrangements

Investment properties are leased to tenants under cancellable operating leases with rentals payable monthly.

(iii) Fair value

Particulars	31st March, 2022	31st March, 2021
Investment properties*	2,250	2,250

Estimation of Fair value

* The fair valuation is based on reported values as on 21.05.2019 in active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry and trend of fair market rent in the area of property located.The valuation is based on valuation performed by an accredited independent valuer. All resulting fair value estimates for investment properties are included in level 2.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

Note 6: Intangible Assets

(All amounts are in Rs lakhs, unless otherwise stated)

	GROSS CARRYING AMOUNT					ACUMULATED AMORTISATION				NET CARRYING AMOUNT	
Particulars	As at 1st April, 2021	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2022	Upto 1st April, 2021	For the Year	Sales/ Adjustments	upto 31st March 2022	As at 31st March, 2022	As at 31st March, 2021
Design and Drawings	2,250	-	-	-	2,250	2,250	-		2,250	-	-
Computer Software	200	5	2	-	203	196	1	-	197	6	4
Technical Knowhow	20	-	-	-	20	20	-	-	20	-	-
	2,470	**5**	**2**	**-**	**2,473**	**2,466**	**1**	**-**	**2,467**	**6**	**4**

	GROSS CARRYING AMOUNT					ACUMULATED AMORTISATION				NET CARRYING AMOUNT	
Particulars	As at 1st April, 2020	Additions	Other Adjustments	Sales/ Adjustments	As at 31st March 2021	Upto 1st April, 2020	For the Year	Sales/ Adjustments	upto 31st March 2021	As at 31st March, 2021	As at 31st March, 2020
Design and Drawings	2,250	-	-	-	2,250	2,250	-	-	2,250	-	-
Computer Software	198	2	-	-	200	196	-	-	196	4	2
Technical Knowhow	20	-	-	-	20	20	-	-	20	-	-
	2,468	**2**	**-**	**-**	**2,470**	**2,466**	**-**	**-**	**2,466**	**4**	**2**

* amount not appearing because of rounding off norm adopted by the Group

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 7: Trade Receivables

	31st March 2022	31st March 2021
Receivables Considered Good-Unsecured	10,254	11,201
Receivables which have significant increase in Credit Risk	-	-
Receivables-Credit Impaired	3,522	2,021
Less: Allowance for Doubtful trade receivables	4,912	3,013
Total Receivables	**8,864**	**10,209**
Current Portion	7,925	9,587
Non-current Portion #	939	622

#Represents retention amount receivable beyond one year from reporting date

Ageing for the year ended 31.03.2022

Particulars	Not Due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables - Considered Good	1,814	3,513	1,104	1,691	431	1,425	9,979
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	2	6	360	217	2,566	3,150
Less Allowance for Doubtful trade receivables	-	(2)	(6)	(360)	(217)	(2,566)	(3,150)
Disputed Receivables - Considered Good	-	-	-	-	-	275	275
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	372	372
Less Allowance for Doubtful trade receivables	-	-	-	-	-	(372)	(372)
Total Receivables	1,814	3,513	1,104	1,691	431	1,700	10,254
Less Allowance for Doubtful trade receivables (ECL)							**1,390**
Net Total Receivables							**8,864**

* Includes Rs 940 Lakhs due beyond one year from reporting date

Ageing for the year ended 31.03.2021

Particulars	Not Due*	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Receivables - Considered Good	622	5,378	582	912	317	3,114	10,926
Undisputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Receivables - Credit Impaired	-	-	-	70	161	1,418	1,649
Less Allowance for Doubtful trade receivables	-	-	-	(70)	(161)	(1,418)	(1,649)
Disputed Receivables - Considered Good	-	-	-	-	-	275	275
Disputed Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Receivables - Credit Impaired	-	-	-	-	-	372	372
Less Allowance for Doubtful trade receivables	-	-	-	-	-	(372)	(372)
Total Receivables	622	5,378	582	912	317	3,389	11,201
Less Allowance for Doubtful trade receivables (ECL)							**992**
Net Total Receivables							**10,209**

* represents amount due beyond one year from reporting date

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 8: Cash and Cash Equivalents

	31st March 2022	31st March 2021
Balances with Banks		
- in Current Accounts	957	1,892
Bank Deposits with maturity of less than three months @	1,019	12
Cheques in Hand	-	12
Cash on hand (as certified by the Management)	2	1
Total Cash and Cash Equivalents	**1,978**	**1,917**
@ Balances with banks to the extent held as margin money or security against the guarantees	9	12

Note 9: Other Bank Balances

	31st March 2022	31st March 2021
Bank deposits with original maturity greater than three months and maturing within twelve months @	116	236
Total Other Bank Balances	**116**	**236**
@ Balances with banks to the extent held as margin money or security against the guarantees	116	236

Note 10: Other Financial Assets

	31st March 2022		31st March 2021	
Unsecured, Considered Good, unless stated otherwise	Non-Current	Current	Non-Current	Current
Deposit with Banks having maturity more than twelve months @	195	-	53	*
Interest accured on deposit with Bank	*	-	*	-
Security deposits	10	14	9	16
Balance with Government Authorities/Amount recoverable from Government Authorities	-	34	14	-
Other Receivables	499	108	338	160
Less: Allowance for doubtful receivables	-	(82)		(82)
Due from Customers	-	646	-	797
Earnest Money deposit	66	-	66	-
Less: Doubtful Earnest Money Deposit	-	-	(2)	-
Total Other Financial Assets	**770**	**720**	**478**	**890**
@ Balances with banks to the extent held as margin money or security against the guarantees	195	-	53	-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 11: Other Non Current Assets

	31st March 2022	31st March 2021
Security Deposits - considered good		
Deposit for Electricity	76	76
Deposit for Others	58	66
Capital Advance	-	5
Prepaid Lease Payment	1	1
Deposit for Others-Credit impaired	1	1
Less : Doutful Deposit	1	1
Total other Non-current Assets	**134**	**148**

Note 12: Inventories [Refer Note 1 (j)]

	31st March 2022	31st March 2021
Raw Materials*	2,349	2,933
Less: Provision for non moving inventory	(40)	(40)
Less: Provision for unusable stock for construction contract	(234)	(234)
Work-in-Progress*	2,812	5,514
Finished Goods	-	39
Stores and Spares	379	885
Loose Tools	34	60
Total Inventories	**5,300**	**9,156**
*Amount of Written down value of inventories carried at NRV and recognised as Exceptional Item. [Refer Note-51]	3,075	-

Note 13: Other Current Assets

	31st March 2022	31st March 2021
Unsecured, considered good, unless stated otherwise		
Prepaid Lease Payments #	*	*
Gratuity Receivable @	51	28
Balance with Government Authorities **	664	859
Advance for goods and services		1,755
Related Party	116	
Others	1,513	
Less: Allowance for doubtful advances	(34)	(34)
Others:-		
Advance to Employees	84	71
Prepaid Expenses	69	50
Security Deposit	53	65
Other Advances	-	4
Total Other Current Assets	**2,516**	**1,595**

This represents lease payments to West Bengal Industrial Infrastructure Development Corporation for immovable property situated at Kharagpur measuring 4,654 acres for a term of 99 years w.e.f 1st January, 1980

* amount not appearing because of rounding off norm adopted by Group

@Gratuity Actuarial Valuation - Fair Value of plan asset is more than present value of obligation

** It includes GST Input Tax Credit of Rs. 10.47 Lacs blocked by Department of GST, West Bengal. [Refer Note 58]

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 14: Current Tax Assets (Net)

	31st March 2022	31st March 2021
Opening Balance	266	202
Add : Adjustment related to FY 2020-21	16	-
Add : Advance tax paid during year (including Tax Deducted at Source)	148	64
Less : Refund received during the year	202	-
Closing Balance	228	266

(Net of Provision Rs 3596 Lakhs, Previous Year Rs 3596 Lakhs)

Note 15: Deferred Tax Assets (Net)

	31st March 2022	31st March 2021
The balance comprises temporary differences attributable to:		
Deferred Tax Asset on account of		
Unabsorbed Tax Depreciation/business loss	6,050	6,050
Items allowable for tax purpose on payment basis	123	123
Allowance for doubtful debts and doubtful advances	682	682
Others	233	233
Total Deferred Tax Assets	**7,087**	**7,087**
Deferred tax liability on account of		
Property, Plant and Equipment, Investment Property and Intangible Assets	(848)	(848)
Others	(5)	(5)
Total Deferred Tax Liabilities	**(853)**	**(853)**
Net Deferred Tax Assets	**6,234**	**6,234**

Movements in deferred tax assets /(liabilities)

Particulars	Unabsorbed Tax Depreciation/ Loss	Items allowable for tax purpose on payment basis	Allowance for doubtful debts and doubtful advances	Property, plant and equipment, investment property and intangible assets	Others	Total
At 31st March, 2020	**6,050**	**123**	**682**	**(848)**	**227**	**6,234**
Charged/(credited):						
- to Profit or Loss	-	-	-	-	-	-
- to Other Comprehensive Income	-	-	-	-	-	-
At 31 March, 2021	**6,050**	**123**	**682**	**(848)**	**227**	**6,234**
Charged/(credited):						
- to Profit or Loss	-	-	-	-	-	-
- to Other Comprehensive Income	-	-	-	-	-	-
At 31 March, 2022	**6,050**	**123**	**682**	**(848)**	**227**	**6,234**

Significant estimates

The Group has recognised Deferred Tax Assets amounting to Rs. 6,234 Lacs as on 31st March, 2019 which the Group is also carrying as on 31st March 2020,2021 & 2022 , in view of the order passed by the NCLT Court, Kolkata Bench in initiating the process of CIRP against the Holding Company.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 16: Equity Share Capital

	31st March 2022		31st March 2021	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised				
Equity Shares of Rs.10/- each	5,00,00,000	5,000	5,00,00,000	5,000
Preference Shares of Rs. 10/- each	40,00,000	400	40,00,000	400

	31st March 2022		31st March 2021	
	Number of shares	Amount	Number of shares	Amount
(ii) Issued, Subscribed and Paid up				
Equity Shares				
Equity Shares of Rs.10/- each	1,25,89,273	1,259	1,25,89,273	1,259
3,455,529 Equity Shares(31st March 2021:3,455,529Equity Shares) of Rs.10 each were issued as fully paid up pursuant to a Scheme of Arrangement.	#		#	
3,600,000 Equity Shares(31st March 2021:3,600,000 Equity Shares) of Rs.10 each were issued as fully paid up pursuant to conversion of Compulsorily Convertible Preference Shares				
		1,259		**1,259**

	31st March 2022	31st March 2021
	Number of shares	Number of shares
(iii) Equity Shares held by McNally Bharat Engineering Company Limited	79,31,487	10,268,698

(iv) Reconciliation of shares

	31st March 2022		31st March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	**1,25,89,273**	**1,259**	1,25,89,273	1,259
Shares outstanding at the end of the year#	**1,25,89,273**	**1,259**	**1,25,89,273**	**1,259**

Includes 36,00,000 Equity Shares issued in physical form in lieu of conversion of compulsorily convertible preference shares. These shares could not be enlisted as the Company was not listed with a nationally recognised stock exchange at the time of issue of the compulsorily convertible preference shares and as such in-principal approval as per SEBI guildelines for such issue has not been obtained till date.

(v) Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs 10/- per share. Each holder of equity is entitled to one vote per share. The dividend proposed by the Board of Directors(suspended) is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

(vi) Details of shareholders holding more than 5% of the aggregate equity shares in the Company

	31st March 2022		31st March 2021	
	Number shares held	% of Holding	Number of of shares held	% of Holding
McNally Bharat Engineering Company Limited	79,31,487	63.00	1,02,68,698	81.56
ICICI Bank Ltd	23,37,211	18.57	-	-
EIG (Mauritius) Limited	13,40,000	10.64	13,40,000	10.64

Shares held by Promoters at the end of the year

Promoter Name	**No. of Shares**	**% of Total Shares**	**% Change during the year**
McNally Bharat Engineering Company Limited	79,31,487	63.00	Yes
Williamson Magor & Co Limited	36,013	0.2861	No
Total	79,67,500		

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 17: Other Equity

	31st March 2022	31st March 2021
Capital Reserve	6,663	6,663
Securities Premium	5,712	5,712
General Reserve	1,520	1,520
Retained Earnings	(12,889)	(8,612)
Total Reserves and Surplus	**1,006**	**5,283**

(i) Capital Reserve

	31st March 2022	31st March 2021
As per last Financial Statement	6,663	6,663

(ii) Securities Premium

	31st March 2022	31st March 2021
As per last Financial Statement	5,712	5,712

(iii) General Reserve

	31st March 2022	31st March 2021
As per last Financial Statement	1,520	1,520

(iv) Retained Earnings

	31st March 2022	31st March 2021
As per last Financial Statement	(8,612)	(9,285)
Net Profit/(Loss) for the year	(4,343)	657
Change in Reserve due to Estimates in previous fy	32	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	35	18
Closing Balance	**(12,889)**	**(8,612)**

Nature and Purpose of Other Reserves

a) Capital Reserve

Represents the amount transferred from the transferor company pursuant to Scheme of Amalgamation.

b) Securities Premium

Secutires Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

c) General Reserve

General Reserve is created and utilised in compliance with the provisions of the Act.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 18: Non-Current Borrowings

Particulars	31st March 2022	31st March 2021
Secured Loans		
Term Loans		
ICICI Bank Auto Finance Loan	-	3
Total Non-current Borrowings	**-**	**3**

Note 19: Current Borrowings

Particulars	31st March 2021	31st March 2020
Secured Loans from Banks Cash Credit Limits		
Repayable on demand #	14,076	14,232
Unsecured Loans		
From Banks		
Inter - Corporate Deposits [Refer Note No. 53]	4,924	4,924
Total current borrowings	**19,000**	**19,156**

Nature of Security on Secured Loans availed from Banks

Cash Credit facilities are secured by first pari passu charge on entire current assets of the Parent Company. These facilities are also secured by second pari passu charge over the immovable and movable Property, Plant & Equipment of the Kumardhubi plant - Unit II, Asansol unit, Baroda unit and Bangalore unit both present and future.

Loans repayable on demand availed by the Subsidiary Company - Rs. 1,845.10 Lacs (31st March,2021: Rs. 2027.59 Lacs) are secured by:

a. ICICI Bank Limited : Secured by first charge by way of hypothecation of Subsidiary Company's entire stock of raw materials, work-in-progress, semi-finished and finished goods, consumable stores and spares and other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating bank, if any and First charge over the movable fixed assets of the Subsidiary company.and immovable property situated at Kharagpur, West Bengal.

b. Kotak Mahindra Bank Limited: Secured by first charge by way of hypothecation of Subsidiary Company's entire stock of raw materials, work-in-progress, semi-finished and finished goods, consumable stores and spares and other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating bank, if any.

c. Further, Secured by Corporate Guarantee of McNally Bharat Engineering Company Limited (MBECL) in favour of ICICI Bank Limited and Kotak Mahindra Bank Limited.

d. Kotak Mahindra Bank Limited has converted 12 months Interest into Term Loan under Funded Interest term Loan (FITL-2) Scheme . Term Loan Repayable in Twelve monthly installments starting from 1st January 2022.

Details of Default of Current Borrowings

The details of continuing defaults at the year end in respect of Current Borrowings of the Holding Company are as follow :

Particulars	Principal	Interest*
Loan from Bank Repayable on Demand		
- ICICI Bank (including Overdraft)	3,900	-
- DBS Bank	1,219	66
- IDBI Bank	1,500	65
- State Bank of India	3,544	-
- Kotak Mahindra Bank	2,068	-
Total Loan from Bank Repayable on Demand -Default	**12,231**	**131**
Total Inter-Corporate Loans- Default	**4,924**	**66**

*In addition to the above, the interest expense has not been provided in the books of account on the above bank borrowings and Inter Corporate Borrowings.[Refer Note 53]

Amendments to Ind As 7 Statement of Cash Flows: Disclosure Initiatives

The amendment require entitites to provide disclosure of changes in their liabilities arising from financing activities,including both changes arising from cash flow and non cash changes (such as foreign exchange gains or losses). The Company has provided the information for current period.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Particulars		1st April, 2021	Cash Flow	Other Adjustments	31st March, 2022
Borrowings (Current Maturities of Long Term Debts)	@	3,358	(3)	-	3,355
Borrowings (Current)	*	19,156	(193)	37	19,000
Total	$	**22,514**	**(196)**	**37**	**22,355**

$ Refer Consolidated Statement of Cash Flows
@Refer Note 21
*Refer Note 19

Particulars		1st April, 2020	Cash Flow	Other Adjustments	31st March, 2021
Borrowings (Non-current and Current Maturities of Long Term Debts)	@	3,356	(7)	-	3,358
Borrowings (Current)	*	19,821	(665)	-	19,156
Total	$	**23,177**	**(672)**	**-**	**22,514**

$ Refer Consolidated Statement of Cash Flows
@ Refer Note 21
*Refer Note 19

Note 20: Lease Liabilities

Particulars	31st March 2022		31st March 2021	
	Non Current	Current	Non Current	Current
Lease Obligation	169	42	182	40
Total Lease Liabilities	169	42	182	40

Note 21: Other Financial Liabilities

Particulars	31st March 2022	31st March 2021
Current		
Current maturities of long-term debt	3,355	3,355
Interest accrued and due on Borrowings @	354	354
Employee Benefits Payable	171	369
Capital Creditors	13	19
Liability for Other Expenses $[Refer Note-46]	1,313	1,509
Earnest Money from Applicant (CIRP)	20	-
Total	**5,226**	**5,606**

$ includes primarily creditors for expenses
@ For interest accrued and due on bank borrowings as at 31st March 2019 .[Refer Note 53]

A. Nature of security, terms of repayment and rate of interest for Secured Borrowings

Nature of Security	Terms of Repayment and Rate of Interest
i. Year end term loan balance from ICICI Bank Ltd. of Rs 2,500 Lacs (31.03.2021 Rs. 2,500 Lacs) is secured by first pari passu charge on all movable and immovable fixed assets of the Company (excluding Kumardhubi Plant - Unit 1 of Holding Company) both present and future and pledge over 26% shares of the Company held by Holding Company. This facility is also guaranteed by Holding Company.	Loan is repayable in 8 equal half yearly installments, the first such installment being due on June 17, 2017 and at the end of every six months thereafter. Interest is payable at the rate of 12.75% p.a. on amount beginning June 18, 2015 and every half year thereafter.
ii. Year end term loan balance from DBS Bank Ltd. of Rs 852 Lacs (31.03.2021 Rs. 852 Lacs) is secured by first pari passu charge on all movable and immovable fixed assets of the Holding Company (excluding Kumardhubi plant - Unit 1) both present and future [Refer Note 56]	Loan is repayable in 8 equal quarterly installments of Rs 125 each beginning from 3rd July 2017. Interest is payable at the 13% p.a. on monthly basis.
iii. ICICI Bank Auto Finance Loan: Secured by way of hypothecation of asset under finance Rs 3 Lacs (Previous year Rs 6 Lacs)	Loan is repayable in 60 equal monthly installments of Rs 28,432 each beginning from 1st Feb 2018. Interest is payable at the 8.24% p.a. on monthly basis.

B)* The Holding Company has been categorised as Non-Performing Asset by the lender banks, consequently, some of the lender banks have stopped debiting interest on their debts and Holding company has already been under Corporate Insolvency Resolution process (CIRP) on and from 11th February 2021 (Refer Note 53). The details of continuing defaults at the year end in respect of Non-Current Borrowings (including current maturities of long term debts) are as follow :

Particulars	Principal	Interest*
Term Loans from Banks		
-ICICI Bank#	2500	107
-DBS Bank	852	50
Total Term Loan- Default	**3352**	**157**

*In addition to the above, the interest expense has not been provided in the books of account on the above borrowings .
Term Loan facilities granted to the Company by ICICI Bank Limited are secured, including against pledge over 23,37,211 numbers equity shares of the Company held by the holding company McNally Bharat Engineering Company Limited. The said pledge created over 23,37,211 equity shares of the Company has been invoked by ICICI Bank Limited and a sum of Re.1/- has been adjusted towards the over-dues under the facilities availed by the Company from ICICI Bank Limited. However, no provision has been considered in the Consolidated Financial Statements of the Company.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 22: Trade Payables [Refer Note 43 & 57]

Particulars	31st March 2022	31st March 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	347	212
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6,718	6,832
Total Trade Payables	**7,065**	**7,044**
Non-current Portion	-	1
Current portion	7,065	7,043

Trade payables Ageing Schedule for year ended 31.03.2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	10	65	225	5	20	325
Others	0	2073	2213	771	1604	6661
Disputed Dues - MSME	0	0	0	0	22	22
Disputed Dues - Others	0	1	0	3	52	57
Total						**7065**

Trade payables Ageing Schedule for year ended 31.03.2021

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0	156	6	3	25	190
Others	0	2833	895	334	2713	6775
Disputed Dues - MSME	0	0	0	0	22	22
Disputed Dues - Others	0	8	13	0	36	57
Total						**7044**

Note 23: Provisions

	31st March 2022	31st March 2021
Warranty	68	95
Anticipated loss on contracts	145	165
Total	**213**	**260**
Non-current portion	145	165
Current portion	68	95

(i) Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

The Group offers 12 to 18 months warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. As at 31st March 2022, this particular provision had a carrying amount of Rs 68 lakhs (31st March, 2021 Rs 95 lakhs). Where claims costs differ by 10% from management's estimates, the warranty provisions would be an estimated Rs 7 lakhs higher or lower (31 March, 2021 Rs 10 lakhs higher or lower).

ii) Anticipated loss on contracts

A provision for anticipated loss is recognised where it is probable that the estimated contract costs are likely to exceed the total contract revenue.

iii) Liquidated Damages

The Company has by way of abundant caution recorded an accrual for liquidated damages in respect of contracts where there has been a default in providing services on time to customers in terms of deliverables as agreed to in the contracts.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

(ii) Movements in Provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Warranty	
	31st March 2022	**31st March 2021**
Balance as at the beginning of the year	95	113
Additions	4	3
Amount reversed	31	21
Balance as at the end of the year	**68**	**95**

Particulars	Anticipated loss on contracts	
	31st March, 2022	**31st March, 2021**
Balance as at the beginning of the year	165	145
Unwinding of discount	-	20
Amount used/Adjusted	20	-
Balance as at the end of the year	**145**	**165**

Note 24: Employee Benefit Obligations

	31st March 2022			31st March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Gratuity	65	304	369	64	338	402
Compensated Absence	5	37	42	7	49	56
Long Term Service Award	1	6	7	3	7	10
Superannuation Fund	13	-	13	13	-	13
Total Employee Benefit Obligations	**84**	**347**	**431**	**87**	**394**	**481**

(i) Post-employment obligations

a) Gratuity

In keeping with the Company's gratuity scheme, eligible employees are entitled for gratuity benefit as per The Payment of Gratuity Act, 1972 on retirement / death/ incapacitation/ termination etc. Also refer Note 1(v)(iii) for accounting policy related to gratuity. The following Table sets forth the particulars in respect of the Defined Benefit Plans (funded) :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at 1st April, 2020	**715**	**(345)**	**370**
Current service cost	37	-	37
Interest expense/(income)	50	(20)	30
Total amount recognised in profit or loss	**87**	**(20)**	**67**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2	2
(Gain)/loss from change in financial assumptions	5	-	5
Experience (gains)/losses	(26)	-	(26)
Total amount recognised in other comprehensive income	**(21)**	**2**	**(19)**
Employer contributions/premiums paid	-	(44)	(44)
Benefit payments	(155)	155	-
As at 31st March, 2021	**626**	**(252)**	**374**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
As at 1st April, 2021	**626**	**(252)**	**374**
Current service cost	34	-	34
Interest expense/(income)	43	(16)	27
Total amount recognised in profit or loss	**77**	**(16)**	**61**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2	2
(Gain)/loss from change in financial assumptions	3	-	3
Experience (gains)/losses	(40)	-	(40)
Total amount recognised in other comprehensive income	**(37)**	**2**	**(35)**
Employer contributions/premiums paid	-	(82)	(82)
Benefit payments	(101)	101	-
As at 31st March, 2022	**565**	**(247)**	**318**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	31st March 2022	31st March 2021
Present value of funded obligations	565	626
Fair value of plan assets	(247)	(252)
Deficit of funded plans	318	374

Major Categories of Plan Assets as a percentage of fair value of the total plan assets:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

Principal Actuarial assumptions used:

	31st March, 2022	31st March, 2021
Discount rate	7.10%	7.00%
Salary escalation rate	4% - 6%	4% - 6%
Withdrawal rate	1% to 8%	1% to 8%
Mortality rate	In accordance with standard table Indian Assured Lives Mortality (2012-14) ultimate	

The estimates of future salary increases, considered in actuarial valuations, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.
The contribution expected to be made by the Group for the year ended March 31, 2023 is Rs 76.84 Lacs.

Expected Payout

The weighted average duration for 2021-22 of the defined benefit obligation is 5.6 years (March 31, 2021: 5.07 years). The expected maturity analysis of undiscounted gratuity is as follows

	31st March 2022	31st March 2021
Less than a year	92	90
Between 1 to 2 years	50	64
Between 2 to 5 years	256	281
More than 5 Years	261	1,588
Total	**659**	**2,023**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	31st March, 2022	31st March, 2021
Sensitivity Analysis		
Under Base scenario	565	524
Increase in discount rate by 1%	529	593
Decrease in discount rate by 1%	590	662
Increase in salary escalation by 1%	592	665
Decrease in salary escalation by 1%	526	590
Increase in Withdrawal rate by 1%	563	631
Decrease in Withdrawal rate by 1%	549	619

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Consolidated Balance Sheet.

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Investment risk	The defined benefit plans are funded with insurance companies of India. The Group does not have any liberty to manage the funds provided to insurance companies. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the interest rate on plan assets will increase the plan liability.
Life expectancy	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

b) Provident Fund

Contributions towards provident funds are recognised as expense for the year. The Group contributes to the provident funds trusts set up by the holding company in respect of certain categories of employees which is administered by Trustees. Both the employees and the Group make monthly contributions to the Funds at specified percentage of the employee's salary to and aggregate contributions along with interest thereon are paid to the employee's/ nominee's at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investment prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Group.

In terms of the Guidance Note on 'Employee Benefits' issued by the Accounting Standards Board of The Institute of Chartered Accountants of India (ICAI), a provident fund trust set up by the Group are treated as defined benefit plan in view of the Company's obligation to meet shortfall, if any, on account of interest.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligation as at the Balance Sheet date using Projected Unit Capital Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Group as at the Balance Sheet date. Further during the year, the Group's contribution of Rs. 89 Lacs (2020-21 Rs.96 Lacs) to the Provident Fund Trust has been expensed under the " Contribution to Provident and Other Funds" in Note 31. Disclosures given hereunder are restricted to the information available as per the Actuary's report -

	31st March 2022	31st March 2021
Discount rate	7.15%	6.90%
Expected Return on Exempted Fund	8.10%	8.50%

(ii) Post Employment Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised as expense in Statement of Profit and Loss for the year is as under:

Particulars	31st March 2022	31st March 2021
Employer's Contribution to Provident Fund	121	134

Note 25: Other Current Liabilities

	31st March 2022	31st March 2021
Advance received from customers		
Related party	3,267	3,126
Others	1,098	1,818.82
Due to Customers	-	487
Dues payable to Government Authorities	112	228
Total other current liabilities	**4,477**	**5,660**
Current portion	4,477	5,660
Non-current portion	-	-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 26: Decommissioning Liability

The Group has made provision as at year end for all material losses if any, on long term contracts.

Note 27: Revenue from Operations

	Year ended 31st March 2022	Year ended 31st March 2021
Sale of Products	16,092	16,335
Sale of Services	790	1,018
Other Operating Revenue	339	419
Total Revenue from Operations	**17,221**	**17,772**

Note 28: Other Income

	Year ended 31st March 2022	Year ended 31st March 2021
Rental Income	48	48
Interest Income from Financial Assets at Amortised Cost	92	159
Provision for doubtful Debts Written Back	-	150
Provision no longer required Written Back	1	26
Liabilities no longer required Written Back	673	99
Foreign Exchange Gain	12	2
Interest Income	-	2
Miscellanous Income	4	16
Interest on Income tax Refund	20	-
Provision for Warranty written back	26	-
Duty Drawback Income	19	-
Total Other Income	**895**	**502**

Note 29: Cost of Materials Consumed

	Year ended 31st March 2022	Year ended 31st March 2021
Raw Materials at the beginning of the year	2,658	2,793
Add: Purchases	9,025	7,698
Less: Raw Materials at the end of the year	2,075	2,658
Less: Transfer to exceptional items	127	-
Total Cost of Materials Consumed	**9,481**	**7,833**

Note 30: Changes in Inventories of Work-in-Progress and Finished Goods

	Year ended 31st March 2022	Year ended 31st March 2021
Opening balance		
Work-in progress	5,514	6,858
Finished Goods	39	62
Total Opening Balance	**5,553**	**6,920**
Closing Balance		
Work-in progress	2,812	5,514
Finished goods	-	39
Total Closing Balance	**2,812**	**5,553**
Add: Transfer to Exceptional Item	2,948	-
Total changes in Inventories of Work-in-progress and Finished Goods	**(208)**	**1,367**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 31: Employee Benefits Expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Salaries, Wages and Bonus	2,474	2,662
Contribution to Provident and Other Funds	179	219
Staff Welfare Expenses	123	123
Total Employee Benefit Expenses	**2,776**	**3,004**

Note 32: Depreciation and Amortisation Expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation of Property, Plant and Equipment	658	948
Depreciation on Investment Properties	3	3
Amortisation of Intangible Assets	1	-
Total Depreciation and Amortisation Expense	**662**	**951**

Note 33: Other Expenses

	Year ended 31st March 2022	Year ended 31st March 2021
Consumption of Stores and Spares	929	763
Fabrication and Other Charges	1,172	887
Power & Fuel	219	245
Job Work expenses	229	492
Repairs and Maintenance:		
To Plant and Machinery	51	49
To Buildings	6	11
To Others	54	64
Professional Fees [Refer note 33 (b) below]	364	466
Rental Charges	12	43
Subscriptions and Donations	2	1
Rates and Taxes	50	28
Insurance	76	79
Freight	261	204
Travel and Conveyance	255	209
Directors Fees	-	1
Royalty	-	10
Commission Expenses	10	9
Liquidated Damages Expenses	1	12
Security Services	113	127
Allowance for Doubtful Debts on Trade Receivables	1,898	151
Advance and other receivables Written off	266	-
Provision for Warranty	5	4
Loss on Foreign Currency Transactions/Translations	-	5
Miscellaneous Expenses (refer note 33 (a)& (b) below)	289	212
Total Other Expenses	**6,262**	**4,073**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 33(a): Miscellaneous Expenses includes :

	Year ended 31st March 2022	Year ended 31st March 2021
Auditors Remuneration		
As Auditors(including Limited Review)	36	35
Total Remuneration	**36**	**35**

Note 33(b): CIRP Expenses include :

	Year ended 31st March 2022	Year ended 31st March 2021
Resolution Professional Fees	68	-
Advertisement Expenses	6	-
Legal Expesnses	1	-
IT Services and others	2	-
Total CIRP Expenses	**77**	**-**

Note 34: Finance Cost

	Year ended 31st March 2022	Year ended 31st March 2021
On Banks Charges	101	359
On Lease Obligation	29	30
On Bank Borrowings	303	
Total Finance Costs	**432**	**389**

Note 35: Income Tax Expense

This note provides an analysis of the group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

	31st March 2022	31st March 2021
(a) Income Tax Expense		
Current tax-Earlier Year	(22)	-
Current tax on profits for the year	-	-
Total Current Tax Expense	**(22)**	**-**
Deferred Tax		
Decrease (increase) in deferred tax assets	-	-
(Decrease) increase in deferred tax liabilities	-	-
Total Deferred Tax Expense/(benefit)	**-**	**-**
Income Tax Expense	**(22)**	**-**
- through Profit and Loss	(22)	-
- through Other Comprehensive Income	-	1

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	**31st March, 2022**	**31st March, 2021**
Profit from continuing operations before Income Tax Expense	(4,343)	657
Other Comprehensive Income	35	18
	(4,308)	**675**
Tax at the applicable Indian Tax Rate		
Income tax charge on profit of a subsidiary	-	-
Add : Deferred Tax Asset created for Unabsorbed business loss	-	-
Add / (Less) : Adjustment for temporary differences		
Disallowances on items for tax purpose on payment basis	-	-
Disallowance for doubtful debts and doubtful advances	-	-
Change in carrying value of assets under Income tax and books	-	-
Others		
Income Tax Expense	**-**	**-**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 36: Contingent Liabilities

	31st March, 2022	31st March, 2021
Claims against the Group not acknowledged as debts *	18,841	18,841
Other money for which the company is contingent liabilities:-	-	
Excise Duty and Service tax matters under dispute	3,109	2,632
Sales Tax and Value Added Tax matters under dispute	5,138	4,344
Income-tax matters (Net of refund)	703	703
Other demands related to claims made by certain ex-employees towards employee benefits due to them	41	41
Civil Suits filed by Customer for Equipment issue	117	117
Civil Suits filed by Suppliers	132	132
Civil Suits filed by Contractor for Asansol Factory	49	49
Demand from Jharkhand Mineral Area Development Authority	1,055	1,055
Arbitration with Odisha Mining Corporation	445	445
	29,630	**28,359**
Others		
Performance bank guarantees [Limit Rs 3327 lacs (March 2021:Rs 3650 lacs]-Amount utilized and Bank guarantees issued against Margin Money	1,670	1,532
Corporate Guarantee to banks on behalf of Holding company to the extent of value of erstwhile product division of Holding Company (Kumardhubi Unit I)[Refer Note 3 and Note no 54]	5,950	5,950
	7,620	**7,482**
	37,249	**35,841**

* In earlier year, the holding company, McNally Bharat Engineering Company Limited had entered a put option agreement with EIG (Mauritius) Limited, who invested in the Company and the Company was also a party to the said agreement. In order to exercise the put option, the investor submitted its request for Arbitration to the International Chamber of Commerce Court, Singapore against the Holding Company and the Company as Respondent No. 1 and Respondent No. 2 respectively. The Arbitrator issued a dissenting opinion requiring the respondents to pay damages amounting to Rs. 18841 lacs (including interest) and legal cost. The award has been challenged in the High Court of the Republic of Singapore and the matter was dismissed in favor in EIG (Mauritius) Limited.The Corporate Insolvency Resolution Process (CIRP) has since been initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench and the claim submitted by EIG (Mauritius) Limited as finacial debts under the Insolvency & Bankruptcy Code 2016 amounting to Rs. 18111 lakhs, however has not been admitted.

Future cash outflows in respect of the above matters are determinable only in terms of the approved resolution plan pursuant to the provision Insolvency & Bankruptcy Code 2016.

Note 37: Fair Value Measurements

	31st March, 2022			31st March, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL Cost	FVOCI	Amortised
Financial Assets						
Trade Receivables	-	-	8,864		-	10,209
Cash and Cash Equivalents	-	-	1,978	-	-	1,917
Other Bank Balances	-	-	116	-	-	236
Other Financial Assets	-	-	1,490	-	-	1,368
Total Financial Assets	**-**	**-**	**12,448**	**-**	**-**	**13,730**
Financial Liabilities						
Borrowings	-	-	22,355	-	-	22,514
Lease Obligation			211			222
Trade Payables	-	-	7,065	-	-	7,044
Other Financial Liabilities	-	-	1,871	-	-	2,251
Total Financial Liabilities	**-**	**-**	**31,502**	**-**	**-**	**32,031**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value- recurring fair value measurements at 31st March, 2022 - 10 and Nil respectively (31st March, 2021- 9 & NIL respectively).

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed At 31st March, 2022

	Notes	Level 1	Level 2	Level 3	Total
Financial Assets Unbilled Revenue	10			646	646
Total Financial Assets		-	-	**646**	**646**
Financial Liabilities Retention Money Payable	19	-	-	-	-
Total Financial Liabilities		-	-	-	-

Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed At 31 March 2021

	Notes	Level 1	Level 2	Level 3	Total
Financial Assets Unbilled Revenue	10			797	797
Total Financial Assets		-	-	**797**	**797**
Financial Liabilities Retention Money Payable	19	-	-	487	487
Total Financial Liabilities		-	-	**487**	**487**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.
Level 1: Quoted (unadjusted) prices in active market for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model

The carrying amount of financial assets and financial liabilities carried at amortised cost are considered to be the same as their fair value, due to their short term nature.

(iii) Fair value of financial assets and liabilities measured at amortised cost

Particulars	31st March, 2022		31st March, 2021	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial Assets Financial Assets Unbilled revenue	646	646	797	797
Total Financial Assets	**646**	**646**	**797**	**797**
Financial Liabilities Retention Money Payable	-	-	487	487
Total Financial Liabilities	-	-	**487**	**487**

The carrying amounts of trade receivables, security deposits, cash and cash equivalents, other bank balances, advances to related parties, other receivables, borrowings and trade payables are considered to be the same as their fair values.

The fair values for financial instruments were calculated based on cash flows discounted using current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 38: Financial Risk Management

The Group's activities is exposed to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Group's risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Management. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Groups's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit Risk

Credit risk arises from investments, Trade receivables and other financial assets carried at amortised cost and deposits with bank and financial institutions, as well as credit exposures to outstanding receivables.

(i) Credit Risk Management

The Group assigns the following credit ratings to each class of financial assets based on assumptions, inputs and factors specific to the class of financial assets.

VL1: High-quality assets, negligible credit risk ; VL2: Quality assets, low credit risk ; VL3: Standard assets, moderate credit risk ; VL4: Substandard assets, relatively high credit risk ; VL5: Low quality assets, very high credit risk ; VL6: Doubtful assets, credit impaired

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant changes in the operating results of the payer
- significant increase in credit risk on other financial instruments of the same payer
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behavior of the payer, including changes in the operating results of the payer

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

Financial assets are written off when there is no reasonable expectations of recovery, such as debtor failing to engage in a repayment plan with the group or where payer/borrower does not have financial capability to repay its debts. Where loans or receivables have been written off, the group continues to engage in enforcement activities to attempt to recover the receivable due.

(ii) Provision for expected credit losses

The Group provides for expected credit loss of trade receivables and other financial assets based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Wherever required, past trend is adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the historical data is based, and to remove to effects of the conditions in the historical period that are not relevant to the future contractual cash flows.

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default		Expected probability of default		Expected credit losses		Carrying amout net of impairment provision	
				March 21	March 22	March 21	March 22	March 21	March 22	March 21	March 22
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Other Financial Assets	VL1	1,490	1,490	-	-	-	-	1,490	1,490

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

(iii) Reconciliation of Loss Allowance Provision- Trade Receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loss allowance on at Opening Balance Sheet date	3,013	2,862
Changes in loss allowance	1,899	151
Loss allowance on at Closing Balance Sheet date	4,912	3,013

The Group has receivables from certain customers against whom insolvency proceedings have been initiated during the year under the Insolvency and Bankruptcy Code, 2016. In view of the same, the Group has already made adequate provision to its future financial losses.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) *Maturities of Financial Liabilities*

The tables below analyse the Group's financial liabilities into relevant maturity groupings based in their contractual maturities for:(i) all non-derivative financial liabilities, and ;(ii) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Less than 12 months		More than 12 months		Total	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Borrowings	22,355	22,511	-	3	22,355	22,514
Trade Payables	7,065	7,043	-	1	7,065	7,044
Other Financial Liabilities	1,517	1,897		-	1,517	1,897
Total Financial Liabilities	**30,937**	**31,450**	**-**	**4**	**30,937**	**31,455**

(C) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the US$ and EURO. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the group's functional currency (Rs). The risk is measured through the expected foreign currency cash flows based on the Group's receipt and repayment schedule for recognised assets and liabilities denominated in a currency other than INR. The objective of the hedging is to minimize the volatility of the INR cash flows of such recognised assets and liabilities.

(a) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follow:

	As at 31st March 2022			As at 31st March 2021		
	USD	EURO	GBP	USD	EURO	GBP
Financial Assets						
Trade Receivables	243	79	-	142	81	-
Advance to Supplier	36	4	-	189	18	-
	279	**83**	**-**	**331**	**99**	**-**
Financial Liabilities						
Advance From Customer	29	120	-	210	-	-
Trade Payables	41	6	2	42	126	2
	70	**126**	**2**	**252**	**126**	**2**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

(b) Sensivity:

Impact on profit

	As at 31st March 2022			As at 31st March 2021		
	USD	**EURO**	**GBP**	**USD**	**EURO**	**GBP**
Increase by 5% #	10	(2)	*	4	(1)	*
Decrease by 5% #	(10)	2	*	(4)	1	*

Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During 31 March 2021 and 31 March 2020, the group's borrowings at variable rate were mainly denominated in INR .The Group's fixed rate borrowings are carried at amortised cost. These are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at end of reporting period are as follows:

	As at 31st March 2022	As at 31st March 2021
Variable rate borrowings	17,431	17,587
Fixed rate borrowings	4,924	4,924

(b) Sensivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	As at 31st March 2022	As at 31st March 2021
Increase in interest rates by 50 basis points (50 bps) #	(88)	(88)
Decrease in interest rates by 50 basis points (50 bps) #	(88)	(88)

Holding all other variables constant

Note 39: Capital Management

Risk Management

The Group aims to manage its capital efficiency so as to safeguard its ability to continue as going concern and to optimise returns to the shareholders.

The Group's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity , borrowings and operating cash flows as required. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell asssets to reduce debt.

Loan Covenants

Under the terms of the major borrowing facilities, the group is required to comply with certain financial covenants, of which some have not been complied with as at Balance Sheet date. However, the banks have not withdrawn the facilities.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 40: Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at 31st March 2022	As at 31st March 2021
Current		
Financial Assets		
Trade Receivables	7,925	9,587
Cash and Cash Equivalents	2,094	2,153
Other Financial Assets	720	890
Non-financial Assets		
Inventories	5,300	9,156
Other Current Assets	2,516	2,798
Total Current assets	**18,556**	**24,585**
Non-current		
Property, Plant and Equipments**	11,014	11,559
Capital work-in-progress	20	21
Investment properties	355	358
Trade Receivables	939	622
Other Intangible Assets	6	4
Other Financial Assets	770	478
Other Non-Current Assets	134	148
Total Non-current assets	**13,238**	**13,190**
Total Assets pledged as security	**31,794**	**37,775**

* rounding off norm adopted by the Group

** Pursuant to the Scheme of Arrangement between the Holding Company and McNally Bharat Engineering Company Limited (MBECL), the Parent company, the existing charges on the assets of the erstwhile Products Division of MBECL for facilities enjoyed by MBECL will continue. Accordingly, working capital demand loans, cash credit facilities, term loans and other non fund based facilities of MBECL are secured by assets including certain property, plant and equipment of the Holding Company (net written down value as at 31.03.2022 of Rs. 457 lacs (31.03.2021 Rs. 472 lacs)) comprised in erstwhile Product Division of MBECL(Kumardhubi Unit 1) and Rs 203 lacs (31.03.2021 Rs. 228 lacs) are excluded for ROU Assets from Property, Plant and Equipment recognised during the year as per IND AS 116.[Refer Note 54]

Note 41: Earnings Per Share

	As at 31st March 2022	As at 31st March 2021
Basic Earnings Per Share		
Net Profit/ (Loss) after tax (Rs in Lacs)	(4,343)	657
Weighted average number of equity share used as the denominator in calculating basic earnings per share.	1,25,89,273	1,25,89,273
Basic Earning Per Share (in Rs.)	**(34.50)**	**5.22**
Diluted Earnings Per Share *		
Net Profit/ (Loss) after tax	(4,343)	657
Net Profit/ (Loss) (Rs in Lacs)	**(4,343)**	**657**
Weighted average number of equity share used as the denominator in calculating diluted earnings per share.	1,25,89,273	1,25,89,273
Diluted Earning Per Share (in Rs.)	**(34.50)**	**5.22**
Weighted average number of shares used as the denominator		
Number of equity share at the beginning of the year	1,25,89,273	1,25,89,273
Weighted average number of equity share issued during the year	-	-
Weighted average number of equity share at the end of the year	1,25,89,273	1,25,89,273

*Compulsorily convertible preference shares has not been considered for Diluted Earning per share being anti dilutive in nature.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 42: Commitments

(a) Capital Commitments

Particulars	31st March, 2022	31st March, 2021
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	38	38

(b) Leases

Recognition

All leases taken as lessee, except leases for short-term and leases of low value assets, shall be recognized in the Consolidated Financial Statements as an asset (Right-of-Use asset) and a corresponding Lease Liability (as borrowings) by discounting the lease payments over the lease term. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the Consolidated Statement of Profit and Loss, unless the same are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

i) The Lease Liability shall be measured at the present value of all the lease payments due over the lease term.

ii) The Right-of-Use asset shall be measured at cost that comprises of initial value of lease liability, lease payments made on or before the commencement of lease, initial direct costs incurred and an initial estimated cost of dismantling & removing the leased asset and restoring the site on which the asset is located.

iii) Discount rate to be used shall be the rate implicit in the lease. If it is impracticable to determine the implicit rate, MSEL incremental borrowing rate for the quarter earlier to the quarter in which the lease is entered is used.

iv) In case of composite contracts, the lease and non-lease components needs to be segregated (unless impracticable) as per relative standalone prices and only lease component needs to be discounted. If segregation of contract is impracticable, the entire component will be treated as lease component and shall be discounted accordingly.

Subsequently, at each Balance Sheet date, the right-of-use asset shall be depreciated and lease liability shall be increased by interest amount & decreased by amount paid.

i) As Lessee

Nature of Leasing Activities

The Group has entered into lease arrangements such as lands and buildings for purpose of its plants, facilities, offices.

Details of some significant leases (including in substance leases) are as under;

a. Group have enetred into lease arrangement for lease of land for Office Space.

Amount Recognized in the Consolidated Statement of Profit and Loss Account or Carrying Amount of Another Asset

Particulars	2021-22	2020-21
Depreciation recognized	25	25
Interest on lease liabilities	29	30
Expenses relating to short-term leases & of low-value assets	12	29
Total cash outflow for leases	52	67
Additions to ROU during the year	-	-
Net Carrying Amount of ROU at the end the year	**177**	**202**

The details of ROU Asset included in PPE (Note 3) held as lessee by class of underlying asset (excluding those covered in Investment property) is presented below:-

Asset Class	Items Added to ROU Asset as on 01.04.2021	Additions to ROU Asset during the Year	Depreciation Recognized During the Year	Net Carrying value as on 31.03.2022
Office Space	203	-	25	178
Total	**203**	**-**	**25**	**178**

Application of this standard has resulted a net decrease in Profit before Tax for the period April - Mar 2022 by Rs.14 lacs (increase in Depreciation & Amortization expenses , Finance Cost by Rs. 25 lacs and Rs 29 lacs respectively and decrease in Other Expenses by Rs.39 lacs)

ii) As Lessor

Operating Lease

The lease rentals recognized as income in these statements as per the rentals agreements:

Particulars	2021-22	2020-21
Lease rentals recognized as income during the year	48	48

These relate to Land subleased to McNally Bharat Engineering Company Limited for use of its business . Asset class wise details have been presented under Note 5: Investment Properties.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 43: Details of dues to Micro and Small Enterprises

Particulars	31st March 2022	31st March 2021
Principal amount due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end**	355	212
Interest due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end	55	16
Principal amounts paid to suppliers registered under the MSMED Act, 2006, beyond the appointed day during the year	57	136
Interest due and payable for principal already paid	2	-
Total interest accured and remainning unpaid at the end of each accounting year	57	16
Amount of futher interest remanning due and payable even in the succeeding years	146	-

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 on the basis of information available with the Group.Management has not recognised interest on disputed parties.

**Amount of Rs 8 Lakh (2021: Nil Lakhs) included in Note no-21 Other Financial Liabilities.

Note 44

Revenue Expenditure on Research and Development is Rs Nil (31.03.2021 Rs. Nil)

Note 45

The Group is primarily engaged in a single business segment, viz. “manufacturing and designing of engineering products” and predominantly operates in one Geographical segment. Hence, in the opinion of the Chief Operating decision maker as defined under Note 1, the Group’s operation comprises of only one reporting segment . Accordingly, there are no separate reportable segments, as per Indian Accounting Standard 108 on “Segment Reporting”.

Disclosure required under Ind AS 108 “ Operating Segments” for Companies with single segment are as follows :

	31st March 2022	31st March 2021
Revenue from Customers		
- India	16,264	16,118
- Outside India	975	1,654
	17,239	**17,772**
Non-current Assets		
- India	38,094	19,982
- Outside India	2,197	142.00

External customers individually accounting for more than 10% of the revenues have generated Nil revenue from operations for the Group in the current year (Year ended 31 March, 2021-Nil).

Note 46: Related Party Transactions

a) Where control exists

Holding Company

McNally Bharat Engineering Company Limited (MBECL)

b) Others

i) Subsidiary

MBE Coal & Mineral Technologies India Private Limited (MCMTI)

ii) Fellow subsidiaries

McNally Bharat Equipments Limited #
MBE Mineral Technologies Pte Limited #
MBE Minerals Zambia Ltd #
McNally Bharat Engineering (SA) Proprietary Limited (deregistered w.e.f. 30.06.2017)

iii) Joint Venture

McNally - Trolex #
McNally - AML #
McNally - Trolex- Kilburn #

iv) Post employment benefit plan of the Group

McNally Bharat Executive Staff Gratuity Fund (MBESGF)
McNally Bharat Employees Provident Fund (MBEPF)

v) Key Managerial Personnel

Mr. Purajit Roy – Chief Financial Officer
Mr. Aseem Krishanmohan Srivastav- CEO & Whole Time Director (Resigned w.e.f 19-05-2022)
Mr. Saikat Ghosh - Company Secretary
Mr. Nilotpal Roy - Non Executive independent director
Ms. Kastruri Roy Choudhury - Non Executive independent director
Mr. Abhishek Pal - Director (Appointed on 01.02.2022)
Mr. Tapan Kumar Datta - Director (Appointed on 01.02.2022)
Mr. Arindam Sarkar - Director (Resigned on 01.02.2022)
Mr. Salil Kumar Ganguly - Director (Resigned on 31.12.20)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 46: Related Party Transactions (contd.)

vi) Key Managerial Personnel of the Holding Company(McNally Bharat Engineering Company Limited)
Mr. Aditya Khaitan – Chairman
Mr. Srinivash Singh – Director
Mr. Brij Mohan Soni - Chief Financial Officer
Mr. Rahul Banerjee - Company Secretary (Resigned w.e.f 22-10-2021)
Ms Indrani Roy- Company Secretary (Appointed w.e.f 7-12-2021)
No transactions during the year.

(c) Transactions with related parties:
The following transactions occurred with related parties:

	31st March 2022	31st March 2021
Sale of Products and Services	65	747
Rental Income	48	48
Purchase of goods/Fixed Assets and services	1	1,356
Rental and Other Charges	30	31
Reimbursement of Expenses (received)	18	-
Reimbursement of Expenses (paid)	-	2
Services Rendered	95	-
Services Received	4	-
Remuneration paid to Key Managerial Personnel		
Mr. Pradip Kumar Tibdewal – Whole Time Director	-	52
Mr. Aseem Krishanmohan Srivastav- CEO & Whole Time Director	84	32
Mr. Uttam Tekriwal – Chief Financial Officer	-	9
Mr. Purajit Roy – Chief Financial Officer	70	40
Mr. Saikat Ghosh - Company Secretary	6	5
Mr. Nilotpal Roy - Non Executive independent director	-	1
Ms. Kastruri Roy Choudhury - Non Executive independent director	-	1
Mr. Abhishek Pal	2	-
Mr. Tapan Kumar Datta	1	-
Contribution to Fund - MBESGF	40	44
Contribution to Fund - MBEPF**	92	96

*Amount inclusive of GST
** Considered only Employer Contribution

(d) Outstanding balances arising from sales/ purchases of goods and services
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

		31st March 2022	31st March 2021
Trade and Other Receivables			
MBECL		204	121
Trade Payables and Other Current Liabilities			
MBECL		3,588	3,522
Outstanding Corporate Guarantee Given			
MBECL		5,950	5,950
Outstanding Corporate Guarantee Received			
MBECL		8,000	7,850
Key Managerial Personnel			
Mr. Aseem Krishanmohan Srivastav	CEO & Whole Time Director	(*)	11
Mr. Purajit Roy	Chief Financial Officer	-	4
Saikat Ghosh	Company Secretary	-	*

* Amount below is rounding off norm adopted by the Group.
Notes :
(a) Provision for employee benefits, which are based on actuarial valuation done on an overall basis for the Group as a whole hence the employee benefit cost as per Ind AS 19 for key managerial personnel is not available . The amount disclosed reflects the total cost to the Group for the key managerial personnel .
(b) Transactions with related parties mentioned above are as per terms and contracts approved by the Committee of Creditors (CoC) . All transactions disclosed above were made on normal commercial terms and conditions and wherever applicable linked with market rates .
(c) All outstanding balances are unsecured and repayable / receivable in cash.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 47: Disclosure of recovery or settlement of assets and liabilities

Particulars	31st March, 2022		31st March, 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
ASSETS				
Non-current assets				
Property, Plant and Equipment	-	11,648	-	12,259
Capital Work-in-progress	-	20	-	21
Investment Properties	-	355	-	358
Other Intangible Assets	-	6	-	4
Financial Assets				
Trade Receivables	-	939	-	622
Other Financial Assets	-	770	-	478
Deferred Tax Assets	-	6,234	-	6,234
Other Non-current Cssets	-	134	-	148
Current Assets				
Inventories	5,300	-	9,156	-
Financial Assets				
Trade Receivables	7,925	-	9,587	-
Cash and Cash Equivalents	1,978	-	1,917	-
Bank Balances other than above	116	-	236	-
Other Financial Assets	720	-	890	-
Other financial assets	228	-	266	-
Current Tax Assets (Net)	2,516	-	2,798	-
Other Current Assets				
Non-current liabilities				
Financial Liabilities				
Borrowings	-	-	-	3
Trade Payables	-	-	-	1
Lease Liabilities		169		182
Provisions	-	145	-	165
Employee Benefit Obligations	-	347	-	394
Other Non-current Liabilities	-			
Current Liabilities				
Financial Liabilities				
Borrowings	19,000	-	19,156	-
Trade Payables	7,065		7,043	
Lease Liabilities	42		40	
Other Financial Liabilities	5,226	-	5,606	-
Provisions	68	-	95	-
Employee Benefit Obligations	84	-	87	-
Other Current Liabilities	4,477	-	5,660	-

* Amount is below the rounding off norms adopted by the Group.

Note 48

Additional information pursuant to the requirement of Schedule III to the Act of entities considered in Consolidated Financial Statements are set out below :

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated New Assets	Amount (In Rs Lacs)	As % of Consolidated New Assets	Amount (In Rs Lacs)
Holding Company:				
McNally Sayaji Engineering Limited	110.81%	2,510	94.98%	(4,124)
Subsidiary				
MBE Coal & Mineral Technology India Private Limited	-10.81%	(245)	5.02%	(218)
TOTAL	100%	2,265	100%	(4,342)

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 49

Pursuant to the application under section 7 filed by the Financial Creditors, being CP No. 131/KB/2020, the NCLT Court, Kolkata Bench, while disposing of, admitted the application vide its order dated 11th February, 2021 and issued directions to initiate Corporate Insolvency Resolution Process (CIRP) against the Parent Company. CA Jitendra Lohia (IBBI/IPA/P00170/2017-18/10339) was initially appointed as the Interim Resolution Professional in the said matter. Before the principal bench of the National Company Law Appellate Tribunal ("NCLAT") at New Delhi an appeal was also preferred against the said NCLT Court Order. The NCLAT vide its interim order on this appeal granted a stay on the constitution of Committee of Creditors ("CoC") until its final order in the matter. The Hon'ble NCLAT vide it's final order dated 29th November, 2021 disposed of the appeal by dismissing it. Thereafter, the Committee of Creditors (CoC) was constituted which held it first meeting on 14th December, 2021. At the said Meeting of the CoC all the resolutions including appointment of Interim Resolution Professional CA Jitendra Lohia as Resolution Professional were approved by e-voting by its requisite majority.

The CIRP under Insolvency and Bankruptcy Code, 2016 is in progress. However, the Consolidated Financial statements have been prepared on going concern basis.

Note 50

The World Health Organization (WHO) declared outbreak of COVID-19 a global pandemic on 11th March, 2020. Consequent to this, Government of India (GOI) had declared a national lockdown on 24th March, 2020 which got extended from time to time. The COVID- 19 has significantly impacted business operations of the Group, by way of interruption in the business operations, supply chain disruption, limited availability of human resource etc. However, post lockdown, the operations having resumed gradually in a phased manner following directives from the GOI as well as state Governments,the business of the group is regaining normalcy in terms of volume as well as cash flow. The Group has evaluated its liquidity position and recoverability and carrying value of its Non-Current & Current Assets and has concluded that no material adjustments are required currently at this stage as it is due to Covid-19 pandemic exclusively, except the adjustments stated in Point 51 and Point 52 below.Notwithstanding the dependence on these material uncertain events, the Company continues to prepare the Consolidated Financial Statements on a 'Going Concern' basis.

Note 51

The financial performance of the Group having been adversely affected due to downturn of the infrastructure and core sector, working capital constraints and external factors beyond the Company's control followed by unprecedented situation precipitated by the outbreak of COVID-19 pandemic resulting in accumulation of non-moving and slow-moving inventories, complete evaluation of such inventories, including physical verifications vis-à-vis fair estimates of Net Realizable Value (NRV) of the stock of Raw Materials, Stores and Work in Progress have been conducted. Based on the above evaluation, some items of Raw Material Stock and Work in Progress of estimated value of Rs.3075 Lakhs in aggregate are considered and charged as Exceptional Items in the Consolidated Financial Statements of the Company.

Note 52

Trade Receivables, advances to suppliers and expenses recoverable are subject to confirmation, reconciliation and settlement of certain disputes from respective parties and consequential reconciliation and adjustments arising therefrom, if any. The management, however does not expect any material variation. Management is also hopeful for recovery/realisation of these assets in the normal course of business. Hence, in view of the management, short-term financial assets and liabilities are stated at carrying value which is equal to their fair value.Based on critical review of the prospects of realisability of the long pending outstanding receivables towards sales / services rendered as well as advances to vendors / contractors considered as doubtful amounting to Rs. 2,164 lakhs have been charged under the head "Other Expenses" in the Consolidated Financial Statements of the Company.

Note 53

The Parent Company has been categorized as Non-Performing Asset by the lender banks. Consequently, majority of the lender banks have stopped debiting interest on their debts. The Company has not recognised interest expense on Bank borrowings and on Inter-Corporate Borrowings for the financial year ended 31st March, 2021 amounting to Rs. 4,069 Lakhs and Rs. 629 Lakhs. (For the financial year ended 31st March 2020 Rs 2,678 Lakhs and Rs 631 Lakhs). The CIRP has since been initiated against the Company on and from 11th February, 2021 pursuant to the order passed by the Hon'ble NCLT Court, Kolkata Bench in the matter of the application filed by one of the lender banks and in the process based on the claims submitted by the lender banks, the claims admitted by the Resolution Professional, uploaded in the Company's website are Rs.22,019 lakhs in respect of loan facility and Rs 1220 lakhs for uninvoked Bank guarantees (but excluding admitted claims of the financial creditors relating to the Bank Borrowings of Parent Company, McNally Bharat Engineering Company Limited against which Company had issued a corporate guarantee and created exclusive first charge on the fixed assets of Kumardhubi Unit-1) and Rs.63 lakhs against Inter-Corporate Borrowing claims. Operational Creditors have also filed claims. Based on last updated list of creditors a summary is provided as under:-

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Sl no.	Category of Creditors	Summary of Claims Received		Summary of Claims Admitted	
		No. of Claims	in INR(lakhs)	No. of Claims	in INR(lakhs)
1	Financial Creditors (Excluding Corporate Guarantees)	15	41489	14	23302
2	Operational Creditors	378	19605	356	7513
3	Workmen and Employee	3	2	3	-
	Total	**396**	**61096**	**373**	**30815**

The order dated 11.02.2021 imposes moratorium, in accordance with Section 14 of the code, and no interest is serviced during the CIRP period on the loan outstanding as of the CIRP commencement date.The amount of claim admitted by the Resoluation Professional may be different from the amount reflecting in the financial statements of the company as on 31st March 2022. Pending final outcome of the CIRP, no adjustments have been made in this financial statement for the differential amount, if any.

Note 54

In earlier years, the Company had issued a corporate guarantee in favour of the lender banks of the Holding Company, McNally Bharat Engineering Company Limited to the extent of value of fixed assets at Kumardhubi Unit-1 having a book value of Rs. 457 lacs as on 31st March, 2022. On commencement of Corporate Insolvency Resolution Process initiated against the Company under the Insolvency and Bankrupcy Code, 2016, the lender Banks of the Holding Company have duly submitted their claims (Principal and Interest) in respect of the borrowings of the Holding Company in default and the admitted claims thereof, amounting to Rs. 6189 Lakh in agrregate are stated hereunder :

Name Of Bank	Details of claim received	Details of claim admitted
ICICI Bank Limited	25,237	562
State Bank Of India	46,519	1,036
DBS Bank India Ltd	132	3
IDBI Bank Ltd	33,794	752
Bank Of India	56,876	1,266
DCB Bank Ltd	1,147	26
Bank Of Baroda	6,267	140
Indian Bank	11,208	250
Canara Bank	3,900	87
Axis Bank Ltd	47,196	1,051
Union Bank of India	19,973	445
Punjab National Bank	25,761	573
Total	**2,78,011**	**6,189**

However, pending confirmation of the Resolution Process initiated against the Company under the Insolvency and Bankrupcy Code, 2016, no provisions against the admitted claims of the lender banks of the Holding Company have been made in the accounts.

Note 55

Due to economic downturn with the outbreak of COVID-19 pandemic, the net worth of the wholly owned subsidiary, MBE Coal and Mineral Technologies India Private Limited has been fully eroded resulting in consequential impairment in the investment of the Holding Company to be lower than the cost as on the date of the Financial Statement. However, in view of established brand value of its products and potential business prospects of the subsidiary as well as the company undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, the impairment to the investment holding in the subsidiary has not been recognized in the Consolidated Financial Statement of the Company.

Note 56

The Holding Company's operation with DBS Bank carried out through the Cash Credit Account, was frozen at outstanding dues of Rs. 1219 lakhs, in earlier year and recognised as Borrowings under 'Current Liabilities'. The realization of Rs. 391 lakhs thereafter in the said account was accounted for and shown as Cash and Cash Equivalent under Current Assets.Similarly, with the commencement of CIRP, the outstanding balances as on the date of the commencement of CIRP (11th February, 2021) in other banks' Cash Credit Accounts were also been frozen and subsequent reduction in the outstanding balances in these Cash Credit Accounts aggregating to Rs 26 Lakhs(including Rs 6 Lakhs pertaining to earlier year) as on 31st March, 2022 have been included in Cash & Cash Equivalents under 'Current Assets' so as to reflect the Borrowings under 'Current Liabilities' at the frozen outstanding Cash Credit balance as of 11th February, 2021.

Note 57

Under the CIRP, pursuant to provisions of Insolvency & Bankruptcy Code 2016, the claims submitted by the operational creditors of the Company as admitted and duly disclosed in the public domain are net of advances lying unadjusted to such operational creditors as on the date of commencement of CIRP (11th February,2021). However, the said adjustment of advances against the liabilities due to the operational creditors has not been considered in the Consolidated financial statement prepared as per the provision of Schedule-III to the Companies Act 2013.

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts are in Rs lakhs, unless otherwise stated)

Note 58

The Central Goods & services tax commissioner of Bolpur has carried out investigation against the Holding company for availing irregular Input tax credit and issued summons dated 8th Feb,2020 under section 70 of the CGST Act directing the company to pay Rs 866.90 Lakhs. Further, the department has blocked Rs 10.47 lakhs and company has paid Rs 46 Lakhs only through DRC-03 to the department by debiting the balance available in GST portal without taking any accounting effect in the books . Thereafter the department has made instructions to the company to pay the balance amount within fifteen days from the receipt of the summon.After that the company was admitted into NCLT and in view of the ongoing Corporate Insolvency Resolution process, the Resolution Professional has requested not to block any further credit and thus the company has not paid the said amount.

Note 59

Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against it for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 2013.

(iii) a. The Holding Company has not given any guarantee during the year . Therefore, it has not created charge or satisfaction of charge with ROC.
b. During the year,the Subsidiary Company has created Rs 1,000 lakhs charge in favour of Kotak Mahindra Bank and satisfaction of charge of Rs 104.87 Lakhs in favour of Tata Capital Finance Service Limited with ROC within the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned to or invested funds with any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intemediary shall:
a. directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a.directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b.provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group has no such transaction unrecorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961. Such as , search or survey or any other relevant provision of the Income Tax Act, 1961.

Note 60

On the date of the Balance Sheet, the Subsidiary Company has no contract in hand. Hence neither the contract asset nor the contract liability has been recognised in the Consolidated Financial Statements of the Company.

Note 61

Management has prepared these Consolidated Financial Statements with its Subsidiary Company, MBE Coal & Minerals Technologies India Private Limited based on its Audited Financial Statement as on 31st March, 2022.

Note 62

There are no significant subsequent events that would require adjustments or disclosure in the Consolidated Financial Statements as on the date of approval of these Consolidated Financial Statements.

Note 63

Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signature to the Notes 1 to 63
As per our Report of even date

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

(D.Pal Choudhury)
Partner
Membership No:016830

Place : Kolkata
Date : 27th May 2022

For **McNally Sayaji Engineering Limited**

Purajit Roy
Chief Financial Officer

Saikat Ghosh
Company Secretary

CA Jitendra Lohia
Resolution Professional
(IBBI/IPA/P00170/2017-18/10339)

McNally Sayaji Engineering Limited
Ecospace Business Park, Campus-2B
11F/12, Rajarhat, New Town
Kolkata - 700 160