



**McNally Bharat Engineering Company Limited**

CIN: L45202WB1961PLC025181

Registered Office: Ecospace Campus 2B 11F/12

New Town Rajarhat North 24 Parganas Kolkata-700160

Telephone +91 33 68311001/+91 33 68311212

Email: mbe.corp@mbecl.co.in Website: www.mcnallybharat.com

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

9<sup>th</sup> September 2026

**The National Stock Exchange of India Limited**

Exchange Plaza, 5th floor, Plot # C/1, 'G' Block

Bandra Kurla Complex, Bandra (East)

Mumbai – 400 051.

**BSE Limited**

Corporate Relations Department

1st Floor, New Trading Ring, Rotunda Building

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai – 400 001.

Dear Sir/Madam,

**Sub.: Corrigendum to the Annual Report for the Financial Year 2025-26**

**Scrip Code/Symbol: 532629 / MBECL**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), read with Part A of Schedule III thereto, we wish to inform the Exchange(s) that the Company has issued a Corrigendum in continuation of the Notice of the 63rd Annual General Meeting ("AGM") of the Company, scheduled to be held on Friday, 25th September 2026, which was sent to the Members on 3rd September 2026, on account of the following inadvertent errors:

1. The date of birth of Mr. Mehar Chand Thakur (DIN: 08648033), a Director of the Company, was inadvertently mentioned as "7<sup>th</sup> April 1942" instead of "7<sup>th</sup> April 1952" on Page 12 of the Notice of the AGM and Page 15 of the Annual Report 2025-26. The correct date of birth shall be read as "7<sup>th</sup> April 1952".
2. The Annual Report 2025-26 page-numbering has been reset from page 72 onwards.

Except for the above, all other information contained in the Annual Report for the financial year 2025-26 remains unchanged.

We wish to clarify that the above corrections do not affect the financial statements of the Company for the year ended 31<sup>st</sup> March 2026. However, we are sending the revised Annual Report 2025-26 electronically to all shareholders whose email addresses are registered with the Company or Depositories.

The Corrigendum, Annual Report & AGM Notice for the FY 2025-26 can be accessed at the following links:

<https://mcnallybharat.com/wp-content/uploads/2025/09/Annual-Report-2025-26.pdf>

<https://mcnallybharat.com/wp-content/uploads/2026/09/63rd-AGM-Notice.pdf>

<https://mcnallybharat.com/wp-content/uploads/2026/09/Corrigendum-to-AR-2025-26.pdf>



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Any inconvenience caused due to this, is sincerely regretted.

Kindly take this into your records.

Yours faithfully,

**For McNally Bharat Engineering Company Limited**

**INDRANI**

**RAY**

Indrani Ray

**Company Secretary**

Digitally signed by INDRANI RAY  
DN: c=IN, o=Personal, title=9124,  
2.5.4.20=1a71880589229933aa314a4d3cc402165  
6762723da99ec5c409f3c0d740bd,  
postalCode=700070, st=West Bengal,  
serialNumber=8a0bc7f0f9529ec4755677d9e98f2  
4d3ba18950420b6c1aaa7f4dc407e83634c1,  
cn=INDRANI RAY  
Date: 2026.09.09 17:55:27 +05'30'

Encl: As above.

# Aiming newer POSSIBILITIES





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## Board of Directors

### THE BOARD OF DIRECTORS

**Mr. Partha Sarathi Bhattacharyya**

*Chairman, Independent Director &  
Chairman, Audit Committee*

**Mr. Pradip Kumar Bishnoi**

*Independent Director &  
Chairman, Nomination & Remuneration  
Committee*

**Mr. Anil Kumar Jha**

*Independent Director &  
Chairman, Stakeholders' Relationship Committee*

**Ms. Anuradha Gupta**

*Independent Director*

### CHIEF EXECUTIVE OFFICER

**Mr. Rajendra Mohan Mathur**

*(Till 17.07.2026)*

**Mr. Sarvesh Kumar Adukia**

*(Since 27.07.2026)*

### CHIEF FINANCIAL OFFICER

**Mr. Rupayan Majumdar**

*(From 05.05.2025 to 30.05.2026)*

**Mr. Harish Avadhani**

*(Since 01.06.2026)*

### COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Indrani Ray**

### REGISTERED & CORPORATE OFFICE:

*(Since 25.09.2025)*

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

### REGISTRAR & TRANSFER AGENT (RTA)

**Maheshwari Datamatics Private Limited**

23, R. N. Mukherjee Road, 5<sup>th</sup> Floor  
Kolkata – 700 001  
West Bengal, India

### STATUTORY AUDITORS

*(Till 25.09.2026)*

**V. Singhi & Associates,**

Chartered Accountants  
Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata – 700 001  
West Bengal, India

### COST AUDITORS

**A. Bhattacharya & Associates**

AB-275, Salt Lake City  
Kolkata – 700064  
West Bengal, India

### SECRETARIAL AUDITORS

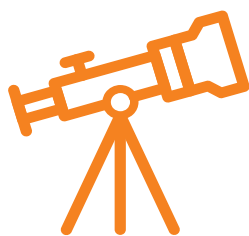
**M/s Prakash Shaw & Co.,**

Company Secretaries  
P-38, Princep Street, 1st Floor  
Room No. 12, Kolkata 700072  
West Bengal, India

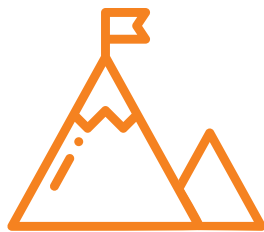
### SOLICITORS

**Khaitan & Co. LLP**

1B, Old Post Office Street,  
Kolkata – 700 001  
West Bengal, India



Vision



Mission

## Vision & Mission Statements

### VISION

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

### MISSION

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

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Telephone: +91 33 6831 1001/ +91 33 6831 1212

E-mail: [mbecal@mbeccl.co.in](mailto:mbecal@mbeccl.co.in) | Website: <http://www.mcnallybharat.com>

CIN: L45202WB1961PLC025181

Registrar & Share Transfer Agent: Maheshwari Datamatics Private Limited

23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001

Telephone: +91 33 2243 5029/ 5809 | Facsimile: +91 33 2248 4787

Website: [www.mdpl.in](http://www.mdpl.in) | Email: [compliance@mdplcorporate.com](mailto:compliance@mdplcorporate.com)

**NOTICE**

**Notice** is hereby given that the Sixty-third (63<sup>rd</sup>) Annual General Meeting of the Members of McNally Bharat Engineering Company Limited will be held at 3:30 p.m. IST on Friday, 25<sup>th</sup> September 2026, 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 statement of the Company for the financial year ended 31<sup>st</sup> March 2026, and the Reports of the Directors and the Auditors thereon and
- (b) the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March 2026 and the Report of the Auditors thereon.

**2. To reappoint Ms. Poonam Singhania (DIN: 11307969), who retires by rotation and being eligible, offers herself for reappointment.**

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

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act” 2013, Ms. Poonam Singhania (DIN: 11307969), who retires by rotation at this meeting and being eligible has offered herself for reappointment, be and is hereby reappointed as Director of the Company, liable to retire by rotation.”

**3. To appoint M/s. Singhi & Co., Chartered Accountants, as the Statutory Auditors of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Audit Committee and the Board of Directors, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring auditors, M/s. V. Singhi & Associates, Chartered Accountants, to hold office for a term of 5 (five) consecutive years from the conclusion of this 63rd Annual General Meeting until the conclusion of the 68th Annual General Meeting of the Company, on such remuneration (plus applicable taxes and reimbursement of out-of-pocket expenses) as may be mutually agreed between the Board of Directors and the Auditors from time to time;

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Special Business:**

**4. Approval for continuation of Directorship of Mr. Mehar Chand Thakur (DIN: 08648033) as a Non-Executive Independent Director of the Company upon his attaining the age of 75 years.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution, with or without further modification:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules,



## Notice (Contd.)

2014, Regulation 17(1A) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary, consent of the Members of the Company be and is hereby accorded to the continuation of directorship of Mr. Mehar Chand Thakur (DIN: 08648033), Non-Executive Independent Director of the Company, who was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years with effect from October 22, 2025 up to October 21, 2030, notwithstanding his attaining the age of seventy-five (75) years on April 7, 2027, and that he be and is hereby authorised to continue to hold office as Non-Executive Independent Director of the Company for the residual/unexpired period of his present term of appointment, i.e. up to October 21, 2030, on the same terms and conditions as approved by the Members at the time of his original appointment.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be considered necessary, proper or expedient to give effect to this resolution, including filing of requisite forms/returns with the Registrar of Companies, Stock Exchange(s) and any other regulatory authority, and to settle any question, difficulty or doubt that may arise in this regard."

### 5. To approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March 2027.

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

"RESOLVED THAT in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditor M/s. A. Bhattacharya & Associates, Cost Accountants, appointed as the Cost Auditor of the Company by the Board of Directors of the Company for conducting audit of cost accounting records maintained by the Company as applicable, for the financial year 2026-27, the details of which are given in the explanatory statement in respect of this item of business annexed to the Notice convening this Meeting, be and is hereby ratified;

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

For **McNally Bharat Engineering Company Limited**

**Indrani Ray**

*Company Secretary*

12<sup>th</sup> August 2026  
Kolkata.

## NOTES

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), Secretarial Standard-2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the items of Special Business is annexed hereto.
2. Pursuant to the latest General Circular No. 03/2025 dated 22nd September 2025 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular No. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated 3<sup>rd</sup> October 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold Extraordinary General Meeting (EGM)/Annual General Meeting (AGM) through Video Conferencing (VC) or other

## Notice (Contd.)

audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, the ensuing 63<sup>rd</sup> Annual General Meeting (63<sup>rd</sup> AGM/AGM) of the Company shall be conducted through VC/OAVM. Members can attend and participate at the AGM through VC/OAVM.

3. Pursuant to the Circular No. 14/2020 dated 8th April 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for the 63<sup>rd</sup> AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The attendance of the Members attending the 63<sup>rd</sup> AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In line with the MCA Circular No. 17/2020 dated 13<sup>th</sup> April 2020, the Notice calling the 63<sup>rd</sup> AGM has been uploaded on the website of the Company at [www.mcnallybharat.com](http://www.mcnallybharat.com). The Notice can also be accessed from the websites of the Stock Exchanges *i.e.* BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) *i.e.* [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. The 63<sup>rd</sup> AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.
7. Members seeking any information / clarification with regard to the accounts or any matter to be dealt at the 63<sup>rd</sup> AGM, are requested to write at [mbecal@mbecl.co.in](mailto:mbecal@mbecl.co.in) on or before 18<sup>th</sup> September 2026.
8. All the documents referred to in the Notice and the Statutory Registers maintained under Section 170 and Section 189 of the Companies Act, 2013, will be available for electronic inspection during the 63<sup>rd</sup> AGM.
9. The relevant details in respect of Directors seeking appointment/re-appointment at the 63<sup>rd</sup> AGM in terms of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the ICSI, is annexed.
10. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 63<sup>rd</sup> AGM along with the Annual Report 2025-26 is being sent only through electronic mode at the email addresses of members as registered with the RTA / Depositories as on 28<sup>th</sup> August 2026. Physical copy of Notice and/or Annual Report will not be sent to any member. Members may note that the Notice and Annual Report 2025-26 would also be available at the Company website [www.mcnallybharat.com](http://www.mcnallybharat.com) and websites of the Stock Exchanges, *viz.* BSE Limited and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also the e-voting agency, *viz.* National Securities Depository Limited (NSDL) website at <https://www.evoting.nsdl.com>.
11. 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.
12. (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 SH-13;
  - 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.



## Notice (Contd.)

(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.
13. Members may note that registration/ update of their E-mail addresses with RTA, if shares are held in physical mode, or with their DPs, if shares are held in electronic mode would ensure delivery of all future communications from the Company including Annual Reports, Notices, Circulars, etc., without delay or, as the case may be, loss in postal transit.
14. Members are requested to note that, dividends not claimed for a consecutive period of 7 (seven) years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund ("IEPF") of the Government of India. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

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

15. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2012-13 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Thereafter no dividends have been declared by the Company.
16. Members are requested to address all correspondence relating to the shareholding and dividend to the Registrar & Share Transfer Agent (RTA) of the Company i.e. Maheshwari Datamatics Private Limited, Account MBECL, 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001, Telephone: 033 2243-5029/5809, Fax: 033 2248-4787, Website: [www.mdpl.in](http://www.mdpl.in), E-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).

However, keeping in view the convenience of the Members, documents relating to shares including complaints/ grievances shall also be received at the Registered Office of the Company at Ecospace Campus 2B 11F/12, New Town Rajarhat, North 24 Parganas Kolkata-700160, E-mail: [mbecal@mbeccl.co.in](mailto:mbecal@mbeccl.co.in).

### E-Voting:

1. In compliance with the provisions of Section 108 of the Act, the Rules made there under and Regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote electronically, through remote e-voting services provided through NSDL on all Resolutions set-forth in this Notice.
2. The remote e-voting period will commence on 22<sup>nd</sup> September 2026 at 10:00 hours IST and end on 24<sup>th</sup> September 2026 at 17:00 hours IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.
3. During this period, Members holding shares either in physical form or in dematerialized form, as on 18<sup>th</sup> September 2026 *i.e.* cut-off date, may cast their votes electronically. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
4. Those Members, who will be attending the 63<sup>rd</sup> AGM through VC/OAVM facility, if not cast their votes on the Resolutions through remote e-voting, and are otherwise not barred from voting so, shall be eligible to vote through e-voting system during the AGM.
5. Members who have cast their votes by remote e-voting prior to the 63<sup>rd</sup> AGM may attend the AGM through VC/OAVM but shall not be entitled to cast their votes again.
6. The Company has appointed Mr. Prakash Kumar Shaw (Membership No. ACS 32895, COP No. 16239), Practicing Company Secretary, Kolkata, to act as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

## Notice *(Contd.)*

7. Members can join the 63<sup>rd</sup> AGM in VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (the "ICSI"), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs from time to time, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 63<sup>rd</sup> AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as venue voting on the date of the 63<sup>rd</sup> AGM will be provided by NSDL.
9. Members are requested to carefully read all the instructions regarding attending the 63<sup>rd</sup> AGM through VC/OAVM, casting votes through remote e-voting and other guidelines / instructions as given below.

### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE 63<sup>RD</sup> ANNUAL GENERAL MEETING ARE AS UNDER:**

**The remote e-voting period begins on 22<sup>nd</sup> September 2026 at 10:00 A.M. and ends on 24<sup>th</sup> September 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. 18<sup>th</sup> September 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 18<sup>th</sup> September 2026.**

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

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

#### **Step 1: Access to NSDL e-Voting system**

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



## Notice (Contd.)

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

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

| Type of shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” 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 held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |
|                                                                     | <ol style="list-style-type: none"> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

## Notice (Contd.)

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|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest facility, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing easi username &amp; password.</li> <li>After successful login of Easi/Easiest the 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 the 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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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

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

| Login type                                                         | Helpdesk details                                                                                                                                                                                                            |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000.                                            |
| 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911. |

### **B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

#### **How to Log-in to NSDL e-Voting website?**

- 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.



## Notice (Contd.)

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

## Notice *(Contd.)*

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

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#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
  5. Upon confirmation, the message “Vote cast successfully” will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- 

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csprakashshaw@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, DVP, NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com).
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#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the Resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [mbecl@mbecl.co.in](mailto:mbecl@mbecl.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [mbecl@mbecl.co.in](mailto:mbecl@mbecl.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and Email id in



## Notice (Contd.)

their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 63<sup>RD</sup> AGM ARE AS UNDER:

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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 a stable Wi-Fi or LAN Connection to mitigate any kind of the aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at mbecal@mbecol.co.in latest by 5:00 p.m. (IST) on Friday, 18<sup>th</sup> September 2026. The same will be replied by the Company suitably.
6. Shareholders who would like to express their views/ask questions as a speaker at the 63<sup>rd</sup> AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number, at mbecal@mbecol.co.in latest by 5.00 P.M on Friday, 18<sup>th</sup> September, 2026. Only those Shareholders who have pre-registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Shareholders attending the 63<sup>rd</sup> AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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

#### Item No. 4

Mr. Mehar Chand Thakur (DIN: 08648033) was appointed as a Non-Executive Independent Director of the Company for a term of five (5) consecutive years with effect from October 22, 2025 up to October 21, 2030, pursuant to the approval accorded by the members through postal ballot held on December 01, 2025.

## Notice *(Contd.)*

Mr. Mehar Chand Thakur, born on April 7, 1952, will attain the age of seventy-five (75) years on April 7, 2027, which falls during the continuation of his present term of directorship. In terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall continue the directorship of any non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Considering his vast knowledge, background and expertise in the revenue, customs, excise sectors, policy formulation and implementation, public administration, management, strategy and his educational qualification coupled with his in-depth practical experience in Taxes & Revenue, the Board of Directors is of the opinion that his continued association would be of immense benefit to the Company. Further, in the opinion of the Board Mr. Thakur fulfils all the conditions as specified in the Act and Rules made thereunder and SEBI Listing Regulations, in order to continue the office as an Independent Director of the Company and is independent of the Management. would be beneficial to the interests of the Company.

Accordingly, in order to enable Mr. Mehar Chand Thakur to continue as a Non-Executive Independent Director of the Company for the remainder of his current term of appointment, i.e. up to October 21, 2030, notwithstanding his attaining the age of 75 years, the approval of the Members by way of a Special Resolution is being sought.

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

The Board recommends the Resolution set out in item No. 4 of the Notice of the AGM for approval by the members of the Company.

### Item No. 5

The Board of Directors approved the re-appointment of M/s A. Bhattacharya & Associates, Cost Accountants, as Cost Auditors of the Company, subject to approval(s) as may be necessary, to conduct audit of Cost Records maintained by the Company in respect of products as applicable for the financial year 2026-27 at a remuneration of Rs. 2,00,000/- plus taxes as applicable and reimbursement of out-of-pocket expenses at actuals.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2027.

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

The Board recommends the Resolution set out in item No. 5 of the Notice of the AGM for approval by the members of the Company.

For **McNally Bharat Engineering Company Limited**

**Indrani Ray**

*Company Secretary*

12<sup>th</sup> August 2026  
Kolkata.



## Notice (Contd.)

### Annexure

Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2, the details of Directors proposed to be appointed / reappointed are given below:

#### 1. MS. POONAM SINGHANIA

| Sr. | Particulars                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                   |
|-----|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Name                                                                                                              | POONAM SINGHANIA                                                                                                                                                                                                                                                                                                                                                  |
| 2   | Category/ Designation                                                                                             | Non-executive Non-Independent Director                                                                                                                                                                                                                                                                                                                            |
| 3   | Director Identification Number (DIN)                                                                              | 11307969                                                                                                                                                                                                                                                                                                                                                          |
| 4   | Age in years                                                                                                      | 62 years                                                                                                                                                                                                                                                                                                                                                          |
| 5   | Date of Birth                                                                                                     | 21 <sup>st</sup> October 1964                                                                                                                                                                                                                                                                                                                                     |
| 6   | Original Date of Appointment                                                                                      | 1 <sup>st</sup> October 2025                                                                                                                                                                                                                                                                                                                                      |
| 7   | Qualifications                                                                                                    | Graduate in Arts                                                                                                                                                                                                                                                                                                                                                  |
| 8   | Name of listed entities from which the person has resigned in the past 3 years                                    | Nil                                                                                                                                                                                                                                                                                                                                                               |
| 9   | Directorship in other companies                                                                                   | Nil                                                                                                                                                                                                                                                                                                                                                               |
| 10  | Chairmanship/ Membership of Committees in other Companies                                                         | Nil                                                                                                                                                                                                                                                                                                                                                               |
| 11  | Number of Equity Shares held in the Company                                                                       | Nil                                                                                                                                                                                                                                                                                                                                                               |
| 12  | Number of Equity Shares held in the Company for any other person on a beneficial basis                            | Nil                                                                                                                                                                                                                                                                                                                                                               |
| 13  | Relationship between Directors inter-se; with other Directors and Key Managerial Personnel pf the Company         | None                                                                                                                                                                                                                                                                                                                                                              |
| 14  | Terms and conditions of appointment                                                                               | Appointment as a Non-Executive Non-Independent Director; liable to retire by rotation.                                                                                                                                                                                                                                                                            |
| 15  | Remuneration last drawn (FY 2025-26), if applicable                                                               | Not Applicable                                                                                                                                                                                                                                                                                                                                                    |
| 16  | Remuneration proposed to be paid                                                                                  | Sitting Fees in accordance with the provisions of the Companies Act, 2013                                                                                                                                                                                                                                                                                         |
| 17  | Number of Meetings of the Board attended during the Year 2025-26                                                  | 3 (three)                                                                                                                                                                                                                                                                                                                                                         |
| 18  | Justification for choosing the appointee for appointment as Director                                              | Her extensive knowledge and passion for community involvement and charitable work, her inspirational approach and unwavering commitment to education, community, together with her educational background and family legacy, enable her to provide the Board with valuable insights and guidance across issues in business and governance matters of the Company. |
| 19  | Skills and capabilities required for the role and the manner in which the proposed person meets such requirements |                                                                                                                                                                                                                                                                                                                                                                   |
| 20  | Brief Resume                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                   |
| 21  | Nature of expertise in specific functional areas                                                                  |                                                                                                                                                                                                                                                                                                                                                                   |

#### 2. MR. MEHAR CHAND THAKUR

| Sr. | Particulars                          |                               |
|-----|--------------------------------------|-------------------------------|
| 1   | Name                                 | MEHAR CHAND THAKUR            |
| 2   | Category/ Designation                | Independent Director          |
| 3   | Director Identification Number (DIN) | 08648033                      |
| 4   | Age in years                         | 74 years                      |
| 5   | Date of Birth                        | 7 <sup>th</sup> April 1952    |
| 6   | Original Date of Appointment         | 22 <sup>nd</sup> October 2025 |

**Notice** (Contd.)

| <b>Sr.</b> | <b>Particulars</b>                                                                                                |                                                                                                                                                                                                                                                                                                                               |
|------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7          | Qualifications                                                                                                    | Graduate                                                                                                                                                                                                                                                                                                                      |
| 8          | Name of listed entities from which the person has resigned in the past 3 years                                    | Nil                                                                                                                                                                                                                                                                                                                           |
| 9          | Directorship in other companies                                                                                   | Nil                                                                                                                                                                                                                                                                                                                           |
| 10         | Chairmanship/ Membership of Committees in other Companies                                                         | Nil                                                                                                                                                                                                                                                                                                                           |
| 11         | Number of Equity Shares held in the Company                                                                       | Nil                                                                                                                                                                                                                                                                                                                           |
| 12         | Number of Equity Shares held in the Company for any other person on a beneficial basis                            | Nil                                                                                                                                                                                                                                                                                                                           |
| 13         | Relationship between Directors inter-se; with other Directors and Key Managerial Personnel of the Company         | None                                                                                                                                                                                                                                                                                                                          |
| 14         | Terms and conditions of appointment                                                                               | Appointment as Independent Director, not liable to retire by rotation, for a term of 5 consecutive years with effect from 22 <sup>nd</sup> October 2025.                                                                                                                                                                      |
| 15         | Remuneration last drawn (FY 2024-25), if applicable                                                               | Not Applicable                                                                                                                                                                                                                                                                                                                |
| 16         | Remuneration proposed to be paid                                                                                  | Sitting Fees in accordance with the provisions of the Companies Act, 2013                                                                                                                                                                                                                                                     |
| 17         | Number of Meetings of the Board attended during the Year 2025-26                                                  | 2 (two)                                                                                                                                                                                                                                                                                                                       |
| 18         | Justification for choosing the appointee for appointment as Director/ Independent Director                        | His knowledge, background and expertise in the revenue, customs, excise sectors, policy formulation and implementation, public administration, management, strategy and his educational qualification coupled with his in-depth practical experience in Taxes & Revenue, would be beneficial to the interests of the Company. |
| 19         | Skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Please refer to Item no. 4 of the Explanatory Statement forming part of this AGM Notice.                                                                                                                                                                                                                                      |
| 20         | Brief Resume                                                                                                      |                                                                                                                                                                                                                                                                                                                               |
| 21         | Nature of expertise in specific functional areas                                                                  |                                                                                                                                                                                                                                                                                                                               |



# Directors' Report

## To

### The Members

The Board presents the Sixty-third Annual Report together with the Audited Financial Statements and the Auditor's Report for the financial year ended 31st March 2026.

### STATUS OF IMPLEMENTATION OF RESOLUTION PLAN

In terms of the Resolution Plan of BTL EPC Limited (the "Successful Resolution Applicant"/"SRA") approved by the Hon'ble National Company Law Tribunal ("NCLT") vide Order dated 19<sup>th</sup> December 2023 read with further Order dated 3<sup>rd</sup> December 2024, the Board on 22<sup>nd</sup> February 2025 made preferential allotment of equity shares in the Company to Mandal Vyapaar Private Limited, so as to constitute 90% of total shareholding in Promoter category, and to the Financial Creditors to the extent of 5% of total share capital in "Public" category and also reduced the existing "Public" shareholding in a manner so as to constitute the balance 5% of total share capital while extinguishing in entirety the shareholding of erstwhile promoters.

Equity Shares resulting from capital restructuring under the Resolution Plan received Listing approval from the stock exchanges, namely, BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE") on 16<sup>th</sup> March 2026 and 24<sup>th</sup> April 2026 respectively. Trading permission from stock exchanges is currently awaited.

In terms of the Resolution Plan and pursuant to the Hon'ble NCLT Order dated 23<sup>rd</sup> September 2025, BTL EPC Limited (the "Successful Resolution Applicant") finally paid the balance 3<sup>rd</sup> tranche money to the Banks (*ie.* "Assenting Financial Creditors") on 17<sup>th</sup> October 2025.

### FINANCIAL HIGHLIGHTS

The highlights of Standalone Financial Statements are set out below:

| Particulars                                                              | Rs in Lakhs   |               |
|--------------------------------------------------------------------------|---------------|---------------|
|                                                                          | 2025-26       | 2024-25       |
| Total income                                                             | 7,467.10      | 10,583.17     |
| Earnings Before Interest, Taxes, Depreciation and Amortizations (EBITDA) | (21,655.65)   | (86,227.92)   |
| Finance Costs                                                            | 22,242.91     | 84,850.37     |
| Depreciation                                                             | 247.09        | 296.61        |
| Exceptional/ Extraordinary Items                                         | 3,89,143.73   | (233.67)      |
| Profit/(Loss) Before Tax                                                 | 3,44,998.08   | (1,71,608.57) |
| Current Tax (including tax for earlier years)                            | (221.65)      | -             |
| Deferred Tax                                                             | -             | -             |
| Profit/(Loss) for the year                                               | 3,45,219.73   | (1,71,608.57) |
| Other Comprehensive Income/(Loss) for the year, net of tax               | (61.50)       | 39.87         |
| Total Comprehensive Income/(Loss)                                        | 3,45,158.23   | (1,71,568.70) |
| Balance Brought Forward                                                  | (7,07,080.40) | (5,56,480.96) |
| <b>Retained Earnings:</b>                                                |               |               |
| Dividend paid during the year                                            | -             | -             |
| Extinguishment of Share Capital in terms of the Resolution Plan          |               | 20,969.26     |
| Balance carried forward in Retained Earnings                             | 66235.14      | (7,07,080.40) |

## Directors' Report *(Contd.)*

### COMPANY'S PERFORMANCE

#### Performance:

The Management Discussion and Analysis is annexed and forms a part of this Report. It covers, amongst other matters, the Company's performance during the financial year 2025-26 and the future outlook.

#### Borrowings:

As at 31<sup>st</sup> March 2026, the Company's long-term and short-term borrowings from Banks and Financial Institution stood at Nil.

#### Credit Ratings:

During the financial year, no credit rating was applicable to the Company since all its debts to Banks and Financial Institutions had been extinguished by virtue of the NCLT Order dated 19<sup>th</sup> December 2023 approving the Resolution Plan of BTL EPC Limited (the "SRA") and on payment of full purchase consideration by the SRA to the Financial Creditors on 17<sup>th</sup> October 2025.

#### Capital expenditure:

The Company did not incur any capital expenditure during the financial year 2025-26.

#### New Labour Code:

During the year, the Government of India notified the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020 and the Occupational Safety, Health and Working Conditions Code 2020 (collective, the "Labour Codes") which seeks to consolidate multiple existing labour laws into a unified framework governing employment and post-employment benefits.

Based on as assessment of the financial impact of these changes, the Company has recognized an incremental impact of gratuity and long-term compensated absences of Rs 93.42 Lakhs, mainly due to revised wage definition. It has been disclosed under the head "Employee Benefit Expenses" as past service cost in the Standalone Financial Results during the period ended 31<sup>st</sup> March 2026.

In accordance with the Board's mandate, the Company has implemented policies, systems and processes and restructured employee salary components to align with the requirements of the Labour Codes. The Company continues to monitor developments, including additional rules, clarifications or amendments, and will evaluate and account for the impact thereof in the relevant periods, as applicable.

#### Impact of Conflicts:

During the year under review, Operation Sindhoor in Quarter 1 and continuing geopolitical tensions and conflict in the West Asia region in Quarter 4, contributed to heightened uncertainty in the global economic environment with a corresponding impact on the Company's financial performance. The Company has been closely monitoring these developments and evaluating their potential impact on its operations, supply chain, fuel cost, overall market conditions and demand for engineering, procurement, construction and O&M.

While the direct impact on the Company's operations have not been significant during the financial year 2025-26, the resulting volatility may have implications for operating costs, business sentiment and demand for EPC business in the year 2026-27. Elevated fuel and energy prices may have an impact on operating costs.

The management has undertaken appropriate risk mitigation measures, including prudent cost management, continuous monitoring of demand trends including status of ongoing projects and operational preparedness to respond to changing market conditions. The Company remains focused towards maintaining operational resilience and financial discipline and will continue to assess the evolving situation and take such actions as may be necessary to safeguard the interests of the Company and its stakeholders.



## Directors' Report *(Contd.)*

### STATE OF THE COMPANY'S AFFAIRS

There has been no change in the nature of the Company's business operations and affairs during the financial year 2025-26. Key developments in the business, are detailed in the Management Discussion & Analysis.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 ("the Act") the Directors hereby confirm that:

- i. in preparing the Annual Accounts, applicable accounting standards have been followed and there are material departures.
- ii. the Directors have selected accounting policies, applied them consistently and the Directors made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors ensured the annual accounts of the Company have been prepared on a "going concern" basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and these internal financial controls are adequate and operating effectively; and
- vi. the Directors they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### TRANSFER TO RESERVES

The Company has not transferred any amount to the reserves for the financial year ended 31<sup>st</sup> March 2026.

### MATERIAL CHANGES, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSURE OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT.

No significant changes have occurred affecting the Company's financial position from the end of the financial year 2025-26 up to the date of this report.

### DIVIDEND

There is no recommendation of dividend for Equity Shareholders during the financial year 2025-26. Further, in view of capital restructuring pursuant to implementation of the Resolution Plan, the paid-up Preference Share Capital of the Company stands extinguished with effect from 22<sup>nd</sup> February 2025.

### BOARD MEETINGS

During the year, six Board Meetings were convened viz. on 22<sup>nd</sup> May 2025, 11<sup>th</sup> July 2025, 6<sup>th</sup> August 2025, 13<sup>th</sup> November 2025, 20<sup>th</sup> February 2026 and 24<sup>th</sup> March 2026.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Poonam Singhania (DIN: 11307969) will retire by rotation as a Director of the Company at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends the re-appointment of Ms. Poonam Singhania as a director on the Board.

Mr. Mehar Chand Thakur (DIN: 08648033) will attain seventy-five years of age on 7<sup>th</sup> April 2027 during the continuation of his present term of directorship which is otherwise, valid till 21<sup>st</sup> October 2030. The Board recommends continuation of his directorship during his current term despite attaining the age of 75 years, subject to shareholders' approval at the forthcoming Annual General Meeting.

## Directors' Report *(Contd.)*

The Independent Directors confirmed their compliance with the independence criteria outlined in Section 149(6) of the Companies Act (the "Act") and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board acknowledges that Independent Directors met the required criteria of independence.

The Independent Directors also confirmed their compliance with the Code for Independent Directors prescribed in Schedule IV to the Act.

### COMMITTEES OF THE BOARD

The Board of Directors has constituted the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee (voluntary).

Details of composition, terms of reference and number of meetings held during the financial year are given in the Report on Corporate Governance, which forms a part of this Report. Furthermore, during the year under review, all recommendations made by the various committees have been considered and accepted by the Board.

### CORPORATE GOVERNANCE REPORT

The Corporate Governance Report along with the certificate from the Statutory Auditors forms a part of this report.

### THE COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND SENIOR MANAGEMENT PERSONNEL APPOINTMENT AND REMUNERATION

The Company's policy on Directors' Appointment and Remuneration ("Director Appointment Policy") and Senior Management and Key Managerial Personnel Appointment and Remuneration Policy ("Senior Management Policy") formulated in accordance with Section 178 of the Act, read with the Regulation 19(4) of the Listing Regulations can be accessed on the Company's website: <https://www.mcnallybharat.com/assets/pdf/investor/policy/remuneration-policy.pdf>.

The key points outlined in the Directors Appointment Policy are as follows:

- The Policy aims to appoint Directors (including Non-Executive and Independent Non-Executive Directors) who possess significant skills, competence, and experience in various fields such as business, finance, accounting, law, information technology, management, sales, marketing, administration, corporate governance, engineering, procure & construction, operation & management or other relevant disciplines related to the Company's business. These Directors should be capable of effectively performing their supervisory role in the management and general affairs of the Company.
- Evaluation of individuals against various criteria, including industry experience and other attributes necessary for successful performance in the role, while also considering the benefits of board diversity.
- Consideration of how the individual is likely to contribute to the overall effectiveness of the Board and collaborate constructively with other Directors.
- Assessment of the skills and experience the individual brings to the position and how these qualities will enrich the collective skillset and experience of the Board.
- Examination of the individual's current positions, including directorships or other affiliations, and how these roles might impact their ability to exercise independent judgment.
- Evaluation of the time commitment required from Directors to fulfill their duties to the Company effectively.

The main points of the "Senior Management Policy" are outlined as follows:



## Directors' Report *(Contd.)*

- The objective of the Policy is to establish a framework and define standards for the appointment, compensation, and termination of Key Managerial Personnel (KMP) and Senior Managerial Personnel. These individuals are entrusted with the responsibility and capability to steer the Company towards its long-term objectives, development, and growth.
- The appointment and remuneration of Key Managerial Personnel and Senior Managerial Personnel are structured to align with the Company's interests and those of its shareholders, within an appropriate governance framework.
- Remuneration packages are designed to be in harmony with the Company's objectives, taking into consideration its strategies and risks.
- Compensation is linked to both individual and Company performance, thereby influencing the extent of variable pay.
- Remuneration structures are crafted to be competitive within the EPC industry or other relevant sectors for respective roles.
- Executives performing similar levels of job complexity receive comparable compensation packages.

### ENERGY CONSERVATION MEASURES

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

Energy conservation measures taken during the year included:

- (i) routine steps like strict control and monitoring the consumption of energy on a continual basis;
- (ii) preventive maintenance of machines like AC units, DG sets etc. resulting in optimal usage of electrical parts;
- (iii) installation of LED lamps extensively across all sections of the Head Office and Sites, including flood lights;
- (iv) installation of several energy saving equipment progressively throughout the year.

During the financial year, the lateral shifting of the Corporate office layout has resulted in considerable savings in power consumption. Other operational measures included setting of benchmarks with respect to the current year with targets for increased savings, initiatives by energy conservation committees comprising of cross functional groups, close monitoring and performance evaluation of plants and machinery by conducting regular self-audit and up gradation of equipment used at the sites.

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

### FOREIGN EXCHANGE EARNINGS & OUTGO

During the financial year 2025-26 and its previous financial year 2024-25 there have been no financial exchange earnings and outgo.

### AUDITOR AND AUDITOR'S REPORT

At the 58<sup>th</sup> Annual General Meeting of the Company held in year 2021, shareholders approved the appointment of M/s. V. Singhi and Associates, Chartered Accountants (Firm Registration Number 311017E) as the Statutory Auditors of the Company to hold office for the second term of 5 (five) consecutive years from the conclusion of the 58<sup>th</sup> Annual General Meeting till the conclusion of the 63<sup>rd</sup> Annual General Meeting to be held in 2026.

The Board recommends the appointment of M/s Singhi & Co., Chartered Accountants, (Firm Registration No. 02049E) as the Statutory Auditors of the Company at the forthcoming Annual general Meeting.

The Auditor's Report for the financial year 2025-26 does not contain any qualification, reservation or adverse remark.

## Directors' Report *(Contd.)*

### SECRETARIAL AUDITORS

M/s Prakash Shaw & Company, Company Secretaries (COP: 16239) were appointed as the Secretarial Auditors of the Company for a term of five consecutive years commencing from financial year 2025-26 to financial year 2029-30.

The Secretarial Audit Report is annexed and forms part of this Annual Report. The certificate pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the Listing Regulations in respect of non-disqualification of Directors of the Company is also annexed and forms part of this report.

### SECRETARIAL STANDARDS

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

### RELATED PARTY TRANSACTIONS

The contracts, agreements, and dealings initiated by the Company in the financial year with related parties were conducted within the regular scope of business and adhered to the arm's length principle. Throughout the period, the Company did not engage in any significant contracts, agreements, or transactions with related parties that would qualify as material under the Company's Related Party Transaction Policy. Therefore, there are no transactions necessitating disclosure in Form AOC-2 as per Section 134(3)(h) of the Act, in conjunction with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Policy on Related Party Transactions can be accessed on the Company's website:

<https://www.mcnallybharat.com/assets/pdf/investor/policy/related-party-transaction-policy.pdf>

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

### ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013 read with the Rules made thereunder, the Annual Return of the Company in Form MGT-7 for the Financial Year 2025-26 has been placed on the website of the Company at: <https://mcnallybharat.com/wp-content/uploads/2026/08/Annual-Return-2025-26.pdf>

### LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, investments made, guarantees given, if any, and the purpose for which the loan, guarantee and investment will be utilized are provided in the Standalone Financial Statement in Note nos. 5 & 6.

### DEPOSITS

During the year, the Company has not accepted any deposits from the public.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy in place to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for protected disclosures for the Whistle Blower and also considers and investigates anonymous complaints. Disclosures can be made through e-mail or letter to the Whistle Officer or to the Chairperson of the Audit Committee and the CEO.

The Whistleblower Policy can be accessed on the Company website at the link: <https://www.mcnallybharat.com/assets/pdf/investor/policy/MBECL-Whistleblower%20Policy-Revised%202022.pdf>

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31<sup>st</sup> March 2026, the Company had only one Indian subsidiary company, namely, McNally Bharat Equipment Limited.

The Company's investment in the following foreign entities had been fully impaired in the past financial years and therefore, were not considered as part of the Resolution Plan which was approved by NCLT vide Order dated 19<sup>th</sup> December 2023 and accordingly not considered for consolidation of accounts for the relevant financial years:

(a) MBE Mineral Technologies Pte. Ltd., Singapore



## Directors' Report (Contd.)

- (b) MBE Mineral Zambia Limited, Zambia
- (c) McNally Bharat Engineering (SA) Proprietary Limited, South Africa
- (d) EMC MBE Contracting Company LLC

The Company is a Lead Partner in three Joint Ventures namely, McNally AML (JV), McNally Trolex (JV) and McNally Trolex Kilburn (JV).

During the year under review, the Board of Directors reviewed applicability of "material subsidiaries" in accordance with Regulation 16 read with Regulation 24 of the Listing Regulations, and none of the above qualified the materiality criteria.

### CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company and its wholly-owned Indian subsidiary company for the financial year has been prepared in compliance with applicable provisions of the Act and as stipulated under Regulation 33 of SEBI Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the Independent Auditor's Report thereon form part of this Annual Report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of the subsidiary is attached to the Financial Statement in Form AOC-1. A copy of the Financial Statement of subsidiary is available on the Company's website at <https://mcnallybharat.com/wp-content/uploads/2026/05/McNally-Bharat-Equipement-Limited-Audit-Financial-Result-2025-26.pdf>

### DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP) REMUNERATION

Of the total strength of the Board, 6 (six) Non-executive Independent Directors and 1 (one) is Non-Executive Non-Independent.

The Independent Directors are only entitled to receive Sitting Fees for attending meetings of the Board and its committees. The total gross sitting fees paid during the year amounted to Rs 28,70,000.

- (a) The ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year:

Rs in Lakhs

| Name of Director          | Designation                               | Remuneration<br>Rs in Lakhs | Median Employees<br>Remuneration | Ratio |
|---------------------------|-------------------------------------------|-----------------------------|----------------------------------|-------|
| Mr. Rajendra Mohan Mathur | Chief Executive Officer                   | 198.81                      | 5.41                             | 36.75 |
| Mr. Rupayan Majumdar*     | Chief Financial Officer                   | 55.00                       | 5.41                             | 10.17 |
| Ms. Indrani Ray           | Company Secretary &<br>Compliance Officer | 44.40                       | 5.41                             | 8.21  |

\*Appointed w.e.f. 05.05.2025

- (b) the percentage increase in remuneration of any Director and KMP during the financial year is given below:

Rs in lakhs

| Sl | Name                                   | Total<br>Remuneration<br>2025-26<br>Rs in Lakhs | Total<br>Remuneration<br>2024-25<br>Rs in Lakhs | Percentage<br>Increase/<br>(Decrease) |
|----|----------------------------------------|-------------------------------------------------|-------------------------------------------------|---------------------------------------|
| 1  | Chief Executive Officer                | 198.81                                          | 125.00                                          | 58.65%                                |
| 2  | Chief Financial Officer*               | 55.00                                           | 38.00                                           | 44.74%                                |
| 3  | Company Secretary & Compliance Officer | 44.40                                           | 40.00                                           | 11.00%                                |

\*Appointed w.e.f. 05.05.2025

- (c) the percentage increase in the median remuneration of the employees in the financial year 2025-26 was 42.37%;

## Directors' Report (Contd.)

(d) the total number of employees on the rolls of the Company as at the end of the financial year was 323.

It is hereby affirmed that the remuneration of Key Managerial Personnel are as per the Remuneration Policy of the Company.

### INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The Company maintains a well-structured risk management framework designed to recognise, evaluate, and address risks effectively. Comprehensive information regarding internal financial controls, risk management endeavours including the execution of risk management policies and identification of key risks and their corresponding mitigating actions, are elaborated upon in the Management Discussion and Analysis Report.

### BOARD EVALUATION

In accordance with the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Company has a Board Evaluation Policy for evaluation of the Chairperson, individual Directors, Committees and the Board.

A structured questionnaire developed by the Nomination & Remuneration Committee covering various aspects of the Board's functioning, Board culture, performance of specific duties by Directors and contribution to the Board proceedings was circulated to members of the Board for the financial year 2025-26.

The Board as a whole, its Committees, the Chairperson and individual Directors were also separately evaluated in the Meeting of the Independent Directors held on 24<sup>th</sup> March 2026. The Meeting *inter alia* assessed the quality, quantity and timeliness of flow of information required for the Board to perform its duties properly. The entire Board, excluding the Director being evaluated, evaluated the performance of each Independent Director.

The Directors have expressed their satisfaction with the evaluation process conducted. Based on the findings from the evaluation process, the Board will continue to review its procedures, processes and effectiveness of Board's functioning, individual Director's effectiveness and contribution to the Board's functioning as well with a view to practicing the highest standards of Corporate Governance.

### COST RECORDS

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

M/s A. Bhattacharya & Associates, Cost Accountants (Firm Registration No. 100255) was appointed the Cost Auditor of the Company to audit the cost records for the financial year 2025-26 as required under Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

### VALUATION FOR ONE TIME SETTLEMENT

During the financial year 2025-26, there was no instance of one-time settlement with any bank or financial institution, except as mandated under the Resolution Plan approved by the NCLT vide Order dated 19<sup>th</sup> December 2023 and further Order 23<sup>rd</sup> September 2025 relating thereto, in accordance with which, the SRA (ie. BTL EPC Limited) paid the balance of 3<sup>rd</sup> tranche money to the Banks & Financial Institutions (collectively, the "Financial Creditors") on 17<sup>th</sup> October 2025.

### PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No fresh proceedings are initiated against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

### SIGNIFICANT AND MATERIAL ORDERS, IF ANY

During the financial year, there were no significant and material orders passed by Regulators, Courts or Tribunals impacting the going concern status and the Company's operation in future.

### PREVENTION OF SEXUAL HARASSMENT AT THE WORKPLACE

The Company has a zero-tolerance policy towards sexual harassment in the workplace. It has adopted a comprehensive policy for prevention of sexual harassment of its women employees at the workplace. In accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the rules made thereunder, the Company has constituted Internal Complaint Committee (ICC) at its Corporate Office.



## Directors' Report *(Contd.)*

To ensure comprehensive coverage, the Company organized awareness workshops covering the majority of employees. The Company has also developed an e-module with self-assessment for imparting training

Details of complaints are provided in the Corporate Governance Report.

### MATERNITY BENEFITS ACT, 1961

During the financial year ended 31st March 2026, the Company has filed necessary returns under the POSH Act and has been compliant with the provisions of the Employees State Insurance Act, 1948 including Rules thereto. Hence, compliance with Maternity Benefit Act, 1961 including Rules thereto, stands obviated.

### OCCUPATIONAL HEALTH AND SAFETY

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

The Company is committed for Occupational Health, Safety & Environment (OHS&E) organisation and capable of meeting the national or international OHS&E requirements.

In line with the said OHS&E requirement, the organisation has a consolidated OHS&E Management System Manual with risk assessment, legal requirement review, periodic audit, training, inspection, incident reporting or investigation and other operational procedures to ensure OHS&E compliance at the Company's projects and O&M sites.

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

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

The Company strives towards for achieving 'Zero Fatality or Environmental Harm' and in order to bring it into reality, strives to reduce Total Reportable Incident Rate. A low incident rate in an EPC company shows a sustainable improvement in Occupational Health, Safety & Environment Management System compared to other EPC firms in India.

McNally Bharat Engineering Company Limited has continued to adopt preventive measures on the spread of COVID-19 at office and jobsites, to control coronavirus infection among employees and service partners. Since 2020-21 the organisation has absorbed the COVID-related protocols into its day-to-day functioning and therefore continues to practice the preventive measures in the best interest of its employees and customers.

### GENDER COMPOSITION

Gender composition of the Company as on 31<sup>st</sup> March 2026 was as follows:

| Gender      | Number of employees |
|-------------|---------------------|
| Male        | 314                 |
| Female      | 09                  |
| Transgender | 00                  |
| Total       | 323                 |

### PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided to members on request.

## Directors' Report *(Contd.)*

### CAUTIONARY STATEMENT

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

### ACKNOWLEDGMENT

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

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For **and on behalf of the Board of Directors**

**Partha Sarathi Bhattacharyya**

(DIN 00329479)

*Chairman*

12th August 2026.  
Kolkata.



# Management Discussion and Analysis Report

## INDUSTRY STRUCTURE AND DEVELOPMENTS:

The global economic environment continues to remain characterised by geopolitical tensions, trade and tariff uncertainties, volatility in energy prices and continuing adjustments in global supply chains. The conflicts in different regions, together with changing trade policies among major economies, have increased uncertainty for businesses operating across sectors. For engineering, procurement and construction (EPC) companies, these developments can influence the availability and cost of materials, equipment, logistics and project financing. The Company therefore continues to approach the external environment with caution, with emphasis on project selection, execution discipline and prudent management of resources.

The Indian economy, however, continues to demonstrate resilience despite the external uncertainties. Domestic demand, public investment and infrastructure-related activity remain important contributors to economic activity. The Economic Survey 2025-26 estimated real GDP growth of 7.4% for FY 2025-26 and highlighted the continued support from domestic demand and public investment, while also noting risks arising from global trade disruptions and external uncertainties.

The economic environment entering FY 2026-27 remains supportive in several areas relevant to the Company's business, particularly infrastructure, industrial development, mining, metals, power and related engineering activities. At the same time, the operating environment remains competitive and project awards continue to require careful evaluation of commercial terms, execution conditions, working-capital requirements and counterparty risks.

The Reserve Bank of India has also highlighted the continuing risks arising from geopolitical developments, energy prices, supply-chain disruptions and global financial-market volatility. While the domestic economy remains relatively resilient, these factors could affect the pace of investment and project execution in individual sectors.

Against this backdrop, the Company is focused on strengthening its core engineering and project execution capabilities. McNally Bharat has historically operated across engineering and construction activities associated with sectors such as material handling, power, mining, metals and infrastructure. The Company's current priority is to utilise these capabilities selectively, while maintaining appropriate commercial and financial discipline.

## Management Discussion and Analysis Report *(Contd.)*

The Company's approach in the present environment is therefore one of measured participation rather than aggressive expansion. Opportunities in the domestic market will be evaluated based on technical suitability, execution feasibility, financial viability and the Company's ability to manage the associated project risks. Particular attention will continue to be given to cash-flow management, timely execution of projects, strengthening of customer and vendor relationships and maintaining an efficient operating structure.

The Company also recognises that technology is becoming increasingly relevant to engineering and project execution. Digital tools, data analytics and artificial intelligence are gradually influencing project planning, risk identification, monitoring and maintenance practices. The Company will continue to evaluate such applications where they can provide practical benefits in engineering, project management and operations.

Sustainability is also becoming an increasingly relevant consideration across the core sectors in which the Company operates. Areas such as mineral beneficiation, water management, resource efficiency and cleaner industrial processes are creating requirements for engineering solutions that improve efficiency while reducing environmental impact. The Company's existing engineering experience in these areas provides a relevant base for participating selectively in such opportunities.

In the current environment, the Company remains conscious that the availability of opportunities alone is not sufficient to ensure sustainable performance. The ability to select appropriate projects, execute them efficiently, manage working capital and preserve organisational capabilities will remain critical to the Company's performance. Accordingly, management's immediate emphasis remains on strengthening the operating foundation of the Company and building sustainable business activity on the basis of its established engineering and project-management capabilities.

### COMPETITIVE ADVANTAGE, EXTERNAL VIEW & INTERNAL VIEW

The Company's competitive position is built around its established engineering capabilities, project management experience, sectoral references and operational knowledge developed over several decades. In the present business environment, these strengths remain relevant, although their effective utilisation requires disciplined project selection, adequate financial resources, appropriate manpower and close monitoring of execution.

The Company continues to view its competitive advantage through four principal areas: **Technology Prowess; Project Management & References; Operations & Maintenance; and Culture & Technology Absorption.**

#### 1. Technology Prowess

The Company's pedigree has historically been based on design and engineering-led solutions. Its experience in areas such as bulk material handling, mineral beneficiation, mining, power and related industrial applications has enabled it to develop domain knowledge and engineering capabilities across several core sectors.

##### *The Internal View*

The Company has experienced a reduction in its engineering workforce and a decline in the order pipeline over the past few years, which has resulted in some of its engineering capabilities, particularly in the mineral beneficiation segment, not being utilised to their full potential. Strengthening the engineering base and reconnecting with the market will therefore remain important to the Company's operating position.

The Company's technology-oriented approach remains an important differentiating factor in sectors where customers require engineering solutions rather than construction capability alone. The Company will continue to focus on leveraging its existing knowledge and established technology relationships in areas where it can compete on technical capability and execution experience.

##### *Impact of War and Geopolitical Developments*

The Company's principal operating focus remains the domestic market. Its historical access to international markets in the Middle East, Africa and other regions provides an additional reference base; however, geopolitical conditions require a selective approach to international opportunities. Projects and supplies involving higher geopolitical or execution risks will require appropriate evaluation of commercial, financial and operational considerations.

##### *Impact of Artificial Intelligence*



## Management Discussion and Analysis Report (Contd.)

Artificial Intelligence and digital technologies are increasingly influencing engineering and industrial processes. For an engineering-led EPC organisation, their relevance extends to design support, project monitoring, risk identification, data analysis and process optimisation. The Company will examine practical applications of these technologies where they can improve engineering effectiveness, project visibility and customer value.

### *Impact of Sustainability*

The Company's experience in mineral beneficiation, water-related applications and other resource-intensive sectors provides a base for addressing the increasing requirement for efficient use of natural resources. The transition towards cleaner industrial processes is also increasing the importance of technologies that can improve resource recovery, energy efficiency and environmental performance. The Company will continue to assess technology partnerships and applications that are commercially viable and relevant to its areas of operation.

## 2. Project Management & References

The Company has developed significant project management capabilities through its participation in large projects in the power, material handling, mining, metals and infrastructure sectors. Its project references constitute an important part of its market credibility and provide evidence of its ability to undertake technically complex projects.

### *The Internal View*

Effective project management remains central to the Company's ability to execute projects and protect value. In the present circumstances, particular importance is attached to monitoring cash flows, completing existing and new projects efficiently, controlling project costs and carefully evaluating new orders before commitment.

The Company has an established vendor and subcontractor base which can support project execution. While the Company's earlier manufacturing capabilities provided greater control over certain critical equipment and lead times, the present operating model requires effective coordination with external vendors and suppliers. The Company's project management systems, procedures and standard operating practices therefore remain important operational assets.

Past project references, including references in coal handling and other core-sector projects, continue to provide the Company with an established base when participating in new opportunities. Maintaining the quality of execution and strengthening customer relationships will be important in converting these references into future business opportunities.

### *Impact of War and Geopolitical Developments*

Geopolitical developments can affect the availability and cost of equipment, logistics and other project inputs. The Company will therefore continue to exercise caution in evaluating projects in geopolitically sensitive regions. The domestic market remains the principal area of focus, where opportunities will be evaluated based on commercial viability, execution requirements and risk-adjusted returns.

### *Impact of Artificial Intelligence*

The Company has experience of applying technology to project risk management. Its project management framework has historically incorporated analytical approaches for identifying and categorising risks in pre-bid and post-bid situations. The Company sees scope for further application of digital and AI-enabled tools in project monitoring, risk assessment, scheduling, cost control and management reporting.

The emphasis, however, will remain on practical applications that improve decision-making and execution rather than technology adoption for its own sake.

### *Impact of Sustainability*

The Company's project experience includes sectors such as water, solar and mineral beneficiation, which are relevant to the broader transition towards resource efficiency and sustainable infrastructure. The Company's engineering and project management capabilities can support customers seeking to improve efficiency and environmental performance.

## Management Discussion and Analysis Report *(Contd.)*

The Company will continue to monitor adjacent opportunities where its existing engineering and construction capabilities are relevant, while maintaining discipline in the selection of projects.

### 3. Operations & Maintenance

Operations and Maintenance has historically provided the Company with a relatively stable area of activity and has supported the business during periods of weakness in other segments. The segment also provides an opportunity to maintain continuing relationships with customers beyond the original project execution phase.

#### *The Internal View*

The Company has an experienced O&M team and established operational knowledge. The immediate emphasis is on maintaining service quality, operational efficiency and customer relationships while strengthening the contribution of this segment to the overall business.

The recurring nature of O&M activity, together with the Company's familiarity with customer installations and operating environments, remains an important strength.

#### *Impact of War and Geopolitical Developments*

The Company's O&M activities are primarily linked to domestic operations and are therefore relatively less exposed to direct disruption from international conflicts. Nevertheless, the Company remains attentive to the indirect effects of geopolitical developments on equipment availability, energy costs and supply chains.

#### *Impact of Artificial Intelligence*

AI-enabled predictive and prescriptive maintenance is changing the way industrial assets can be monitored and maintained. The Company's existing experience in condition monitoring provides a relevant foundation for adopting such technologies where they can improve equipment reliability and customer value.

At the same time, effective O&M remains dependent on skilled personnel and field-level knowledge. The Company will therefore continue to focus on both technology adoption and development of the technical workforce.

#### *Impact of Sustainability*

Operational efficiency, equipment reliability, safety and reduction of avoidable resource consumption are integral to responsible O&M practices. The Company will continue to maintain its focus on safety and efficient operation of customer assets as part of its service proposition.

### 4. Culture & Technology Absorption

The Company's culture has historically placed considerable emphasis on engineering and technical capability. Its experience across mining, mineral processing, ports, material handling and other core industrial sectors has required continuous absorption and application of technology.

#### *The Internal View*

The financial and operational challenges faced by the Company in recent years have placed pressure on organisational capabilities and employee morale. Maintaining the Company's engineering-oriented culture while operating with greater financial and organisational discipline is therefore important.

The Company continues to recognise design and engineering as important elements of its identity. Construction and project execution capabilities complement this technical orientation and together provide the basis for its EPC proposition.

Strengthening the organisation will require an appropriate balance between cost discipline, technical capability and the retention and development of critical skills.

#### *Impact of War and Geopolitical Developments*



## Management Discussion and Analysis Report (Contd.)

The Company's domestic orientation provides some insulation from direct exposure to international conflicts. At the same time, technology collaborators, suppliers and other business relationships may have international linkages. Maintaining appropriate relationships with existing technology partners while developing additional sources of technology and expertise will remain relevant.

### *Impact of Artificial Intelligence*

The Company's engineering culture provides a foundation for absorbing new technologies. AI represents another technological transition that can influence engineering, project management and O&M. The Company's approach will be to identify areas where AI can augment existing capabilities, improve productivity and support decision-making while retaining appropriate human oversight.

### *Impact of Sustainability*

Sustainability is increasingly becoming an integral part of engineering and industrial decision-making. The Company's technical culture and experience in resource-intensive sectors provide a foundation for developing and delivering solutions that improve resource utilisation and operational efficiency.

The Company will continue to align its engineering capabilities with changing customer requirements while preserving the technical and project-management culture that has historically differentiated its business.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

The Company's business activities continue to span key industrial and infrastructure segments including **Steel, Power, Port, Infrastructure and Bulk Material Handling**. These sectors remain relevant to the Company's established engineering and project execution capabilities and are influenced by the level of industrial investment, infrastructure development, public and private sector capital expenditure and the pace of project awards.

In the current operating environment, the Company is adopting a selective approach across these segments, with greater emphasis on technical suitability, commercial viability, execution capability, working-capital requirements and contractual risk. The objective is to utilise the Company's established engineering and project-management capabilities while maintaining financial and operational discipline.

### *Steel*

Steel remains an important market for the Company, supported by its experience in engineering, project execution and material-handling applications for the sector. The Company has established references in the steel industry and its technical capabilities remain relevant to projects involving material handling, plant infrastructure and associated engineering requirements.

The sector continues to require investments in capacity, modernisation, material handling and supporting infrastructure. The Company will continue to evaluate opportunities in this segment where its technical experience and project-management capabilities provide an appropriate basis for participation.

### *Power*

Power has historically been one of the Company's principal areas of operation. The Company has experience in power-related projects and associated material-handling and infrastructure systems.

The sector continues to evolve with changing generation requirements, renewable energy integration and associated infrastructure development. Conventional power infrastructure and related industrial systems also continue to require engineering and execution capabilities. The Company will evaluate opportunities selectively, taking into account project viability, contractual conditions and execution requirements.

### *Port*

Port infrastructure and associated material-handling systems remain relevant to the Company's capabilities. Its experience in bulk material handling and industrial infrastructure provides a base for participating in selected port-

## Management Discussion and Analysis Report *(Contd.)*

related opportunities.

The development of logistics and port infrastructure continues to create requirements for efficient handling and movement of bulk materials. The Company will assess opportunities in this segment in line with its technical capabilities and risk-management approach.

### *Infrastructure*

Infrastructure remains an important area of domestic economic activity. The Company's EPC and project-management capabilities provide a basis for participation in selected infrastructure projects.

At the same time, infrastructure projects typically involve extended execution periods, significant working-capital requirements and complex contractual and stakeholder interfaces. The Company will therefore continue to adopt a disciplined approach towards project selection, with emphasis on projects where the commercial and execution risks can be appropriately managed.

### *Bulk Material Handling*

Bulk Material Handling remains one of the Company's important areas of engineering competence. The Company has considerable experience in coal handling, mineral processing, ports and other applications involving movement, storage and processing of bulk materials.

The requirement for efficient bulk material handling continues across sectors such as steel, mining, power and ports. The Company's established references and technical knowledge provide a basis for participation in suitable projects. The focus remains on projects where the Company can effectively combine its engineering and project-management capabilities with disciplined execution.

### **TENDERS IN PIPELINE, ORDER BACKLOG AND OUTLOOK:**

The Company continues to monitor and evaluate opportunities across its identified business segments. The tender pipeline comprises opportunities arising primarily from the Company's established sectors of operation, including steel, power, ports, infrastructure, mining, mineral processing and bulk material handling.

The Company remains selective in its bidding approach. Tenders are being evaluated not only on the basis of order size but also on technical suitability, contractual terms, customer profile, execution complexity, working-capital requirements and the overall risk-return profile. This approach is particularly relevant in the current environment, where competitive bidding and project execution risks remain significant.

The order backlog provides the base for continuing project execution and customer engagement. Management's focus remains on effective execution of existing commitments, timely completion of projects, close monitoring of costs and cash flows and maintaining appropriate relationships with customers, vendors and subcontractors.

The Company does not intend to pursue order growth at the cost of project quality or financial discipline. New opportunities will therefore be considered in a measured manner, with preference for projects that are aligned with the Company's established engineering and execution capabilities.

The immediate business outlook remains centred on strengthening the Company's operating base, improving execution efficiency and selectively rebuilding business activity across its core sectors. The Company will continue to leverage its established references, engineering knowledge and project-management capabilities while remaining mindful of the prevailing economic, competitive and financial environment.

### **OUTLOOK & BUSINESS STRATEGY:**

The Company's business outlook needs to be viewed in the context of the continuing normalisation of its operations and the prevailing conditions in the domestic EPC and infrastructure sectors. While the economic environment provides opportunities across core sectors such as steel, power, mining, material handling and infrastructure, competition for projects remains high and execution and working-capital requirements continue to be important considerations.



## Management Discussion and Analysis Report *(Contd.)*

The Company will therefore follow a measured and disciplined approach to rebuilding its business activities. The immediate emphasis will be on strengthening the operating platform, effectively executing available projects, maintaining financial discipline and selectively pursuing new business opportunities that are aligned with the Company's established capabilities.

The business strategy will be focused around the following key areas:

### 1. Marketing

The Company will strengthen its marketing and business-development efforts across the public and private sectors. A significant proportion of the Company's business opportunities arise through competitive tendering and therefore the ability to identify suitable tenders, assess their commercial and technical attractiveness and participate selectively will remain important.

The Company will focus on opportunities where its engineering capabilities, project references and execution experience provide an appropriate competitive position. Alongside the tendering process, the Company will continue to strengthen relationships with existing and prospective customers and maintain regular engagement with stakeholders across its core sectors.

The emphasis will be on quality of order intake rather than order volume alone, with appropriate consideration given to contractual conditions, execution requirements, working-capital implications and project risks.

### 2. Talent

Engineering and project execution are people-intensive activities, and the Company's technical and project-management capabilities remain dependent on the availability of appropriately skilled personnel.

The Company will focus on strengthening its engineering, project-management and operational teams in line with the level of business activity. The approach will remain balanced, taking into account the Company's present financial and operating requirements.

Attention will be given to retaining critical technical capabilities, attracting suitable talent where required and developing existing personnel. The objective will be to maintain an organisation that is sufficiently capable to execute projects while remaining appropriately sized and cost conscious.

### 3. Technology

Technology remains an important element of the Company's competitive positioning. The Company will continue to leverage its engineering knowledge and established technology relationships in areas such as mineral beneficiation, material handling, mining, power and related industrial applications.

The Company will also continue to evaluate opportunities for collaboration with technology providers and partners where such relationships can strengthen its technical offering or provide access to relevant solutions.

Digitalisation and Artificial Intelligence are increasingly influencing engineering, project management and operations. The Company will examine practical applications in areas such as project monitoring, risk assessment, cost control, maintenance and management information systems, with emphasis on applications that provide measurable operational benefits.

The objective will be to strengthen the Company's technology proposition without compromising commercial and financial discipline.

### 4. Efficiency

Operational and financial efficiency will remain a central priority. Given the Company's recent business challenges, disciplined management of costs, working capital and project execution will be critical.

The Company will focus on efficient utilisation of manpower and other resources, tighter monitoring of project costs,

## Management Discussion and Analysis Report *(Contd.)*

timely identification of execution issues and effective management of cash flows. Existing procedures and project-management systems will continue to be used to improve visibility and control.

The Company will also seek to maintain an efficient vendor and subcontractor ecosystem while ensuring that project execution requirements are adequately supported.

The focus will be on achieving an appropriate balance between cost efficiency, technical capability and execution quality.

### OVERALL STRATEGIC APPROACH:

The Company's strategy in the present phase is therefore one of disciplined rebuilding and consolidation. The Company will seek to utilise its established engineering capabilities, sectoral references and project-management experience while carefully evaluating the commercial and financial implications of new business.

Management recognises that sustainable improvement will depend not only on securing new orders but also on executing projects effectively, managing cash flows, retaining critical capabilities and maintaining customer confidence.

Accordingly, the Company will continue to pursue opportunities across its core sectors while remaining cautious about excessive risk-taking. The immediate objective is to strengthen the Company's operating foundation and create the conditions for sustainable business activity based on its established capabilities.

### EMERGING SECTORS IN EPC

The EPC industry in India is undergoing a gradual broadening of its opportunity landscape. Alongside the Company's traditional sectors of steel, power, mining, ports, infrastructure and bulk material handling, new requirements are emerging from energy transition, digital infrastructure, resource efficiency and industrial decarbonisation.

These emerging areas are relevant to the Company primarily because several of them require capabilities that overlap with its existing strengths in engineering, project management, material handling, utilities and industrial infrastructure. However, these sectors also involve new technologies, different contracting structures and specialised execution requirements. The Company's approach will therefore be to evaluate such opportunities selectively and build capabilities or partnerships where required.

#### *Data Centres and Digital Infrastructure*

The growth of cloud computing, artificial intelligence and digital services is increasing the requirement for data-centre infrastructure in India. Data centres are highly infrastructure-intensive facilities requiring reliable power, electrical systems, cooling, civil works, utilities and associated infrastructure.

The increasing energy requirement of data centres also creates linkages with renewable power, energy storage and transmission infrastructure. Recent industry assessments indicate that data-centre development is becoming an increasingly important component of India's infrastructure investment landscape.

For an EPC company, the opportunity is therefore not restricted to construction of the data-centre facility itself. Associated power, utility, cooling, material movement and supporting infrastructure can also form part of the broader project ecosystem. The Company will monitor this sector where its existing engineering and project-management capabilities can be appropriately applied.

#### *Battery Energy Storage Systems*

The increasing share of renewable energy in the power system is creating a corresponding requirement for energy storage. Battery Energy Storage Systems (BESS) are emerging as an important component for balancing renewable generation, improving grid flexibility and supporting reliable power supply.

India's storage market is moving from an early-stage development phase towards larger-scale project deployment, with increasing tender and auction activity. Industry tracking during 2026 has identified significant activity across standalone BESS, renewable-plus-storage and firm and dispatchable renewable-energy projects.

BESS projects require integration of electrical systems, civil infrastructure, control systems, thermal management



## Management Discussion and Analysis Report (Contd.)

and project execution. These requirements provide potential areas of relevance for EPC companies with appropriate engineering and project-management capabilities.

The Company will continue to monitor this segment and assess opportunities where its capabilities can be effectively combined with suitable technology partners.

### *Renewable Energy and Hybrid Energy Projects*

India's energy transition is creating demand for EPC solutions beyond conventional power generation. Solar, hybrid renewable energy, renewable-plus-storage and firm and dispatchable renewable-energy projects increasingly require integrated engineering rather than execution of a single technology.

The changing nature of renewable-energy projects is also increasing the importance of grid integration, storage, transmission and balance-of-system infrastructure.

The Company's earlier experience in solar project execution, together with its project-management and infrastructure capabilities, provides a relevant base for evaluating selected opportunities in this broader ecosystem. The Company will remain selective and will consider technology, financing, contractual and execution risks before entering such projects.

### *Green Hydrogen and Green Industrial Infrastructure*

Green hydrogen and related downstream applications represent an emerging area of industrial infrastructure. The EPC requirements associated with this sector can extend beyond hydrogen production to include electrolyser systems, utilities, storage, handling, processing and associated infrastructure.

The sector is still developing its commercial and execution ecosystem in India, and projects require specialised technology, reliable offtake arrangements and appropriate financing structures. Accordingly, the Company views this as an emerging opportunity rather than an established business segment.

The Company's experience in industrial project management, material handling and core-sector engineering could provide relevant capabilities in selected applications, subject to appropriate technology partnerships and commercial viability.

### *Green Steel and Industrial Decarbonisation*

The steel industry is undergoing increasing attention towards resource efficiency, lower-carbon production and improved energy utilisation. This transition is expected to create requirements for modifications to existing industrial facilities as well as new infrastructure associated with cleaner production processes.

For an engineering company with established steel-sector references, this represents an area where existing sector knowledge can potentially be combined with emerging technologies. Opportunities may arise in material handling, beneficiation, utilities, process support systems, energy-efficiency projects and associated infrastructure.

The Company will monitor developments in this area and assess opportunities that are compatible with its engineering capabilities and risk appetite.

### *Railway Electrification and Associated Infrastructure*

Railway electrification and related infrastructure represent another area adjacent to the Company's established project-management and infrastructure capabilities. The sector requires coordinated execution involving civil, electrical, utilities, material handling and project-management activities.

The Company's approach will be to evaluate opportunities where its EPC experience and execution capabilities can be effectively utilised, either independently or in collaboration with specialised partners.

### *Water, Resource Efficiency and Mineral Beneficiation*

Water management, mineral beneficiation and resource efficiency remain closely aligned with the Company's established engineering capabilities. Increasing emphasis on efficient utilisation of natural resources and recovery

## Management Discussion and Analysis Report *(Contd.)*

of value from minerals is creating continuing requirements for engineering solutions in these areas.

The Company's existing knowledge in mineral processing and water-related applications provides a stronger technological connection to these opportunities than some of the newer EPC segments. The focus will therefore remain on strengthening and selectively leveraging these established capabilities.

### STRATEGIC APPROACH TO EMERGING SECTORS:

The Company views emerging EPC sectors as an extension of its existing engineering capabilities rather than as a reason to move away from its core business.

The common thread across many of these opportunities is the increasing requirement **for integrated engineering, project management, technology integration and execution capability**. This is broadly consistent with the Company's engineering-led heritage.

At the same time, emerging sectors carry technology, commercial, financing and execution risks. The Company will therefore adopt a measured approach, evaluating opportunities on the basis of its technical capability, availability of appropriate technology partners, contractual structure, funding requirements and execution risks.

The immediate objective is to identify areas where the Company's existing capabilities can be extended without placing undue pressure on financial and organisational resources. Where required, the Company may consider collaborations and technology partnerships to access specialised capabilities.

Accordingly, emerging sectors will remain an area of selective evaluation and capability development, while the Company's primary focus continues to be on strengthening its established business in engineering, project management, material handling, power, steel, mining, infrastructure and operations and maintenance.

### RISKS & CONCERNS AND RISK MANAGEMENT

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

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

As an improvement of the risk management system, supply chain risk has been developed in further detail. This coupled with the Oracle Cloud Infrastructure (OCI) Analytics Solutions to capture macro risks like commodity price variations, WPI Indices which impact our projects can be a great asset and intellectual property for the Company. This digital transformation to the Cloud opens opportunities to create value with data enabled solutions and also increasing operational efficiencies by monitoring the Key Performance Indices (KPIs) of the Company.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a detailed well spelt internal control system in place to ensure that all financial, commercial and legal transactions are fully authorized, recorded and correctly reported. The Audit Committee of the Board of Directors, chaired by an experienced Independent Director, reviews the adequacy of the Internal Control System.

The Company's Internal Audit Department is in charge for periodically carrying out detailed audit of the transactions of the Company at various project sites, manufacturing locations and offices to ensure that recording and reporting are adequate and as per the policy of the Company. The Internal Auditors periodically physically verify the Company's assets and ensure that there is no unauthorized usage. The assets are kept in proper conditions and are covered under adequate insurance.

Business strategy of the organization has guided the formation of the Enterprise Risk Management (ERM) for the Company. The process started two years back and is under implementation. Considering the flexibility and execution requirements for a projects driven company the system is being continuously revaluated to establish a robust system.



The focus will now work as a partner to major expansions in the core sector for clients and hence the EPC outlook to minimize cost will be replaced by an outlook to add value with time saving and environment friendly solutions.

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

- a) Entity level controls
- b) Process Risks & Controls
  - ✓ Internal controls over financial reporting
  - ✓ Operational controls
  - ✓ Fraud risk controls
- c) IT General Controls

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

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

**Phase I:** Implementation of Internal controls over financial reporting

**Phase II:** Implementation of operational & fraud risk controls

The Companies Act, 2013 mandated Indian Companies to implement internal controls over financial reporting effective from 1st April 2018. Management has documented all key finance and business processes impacting financial reporting, tested the key controls for adequacy and operating effectiveness during the financial year 2025-26.

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

### FINANCIAL AND OPERATING PERFORMANCE

The highlights of financial performance of the Company during the financial year 2025-26 have been provided in the Board's Report under section 134 of the Companies Act, 2013.

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

| Name of Customer                                     | State                  | Details of the project             | Tenure of the Contract   |
|------------------------------------------------------|------------------------|------------------------------------|--------------------------|
| Jindal Stainless Ltd.                                | Duburi, Jazpur, Odisha | Ash Handling Plant                 | 31.12.2028               |
| Adani Infrastructure Management Services, Kawai      | Kawai, Rajasthan       | Coal Handling Plant                | 31.12.2026               |
| Kurmitar Iron Ore Mining Pvt. Ltd.                   | Kurmitar, Odisha       | Iron Ore Handling                  | Extended till 31.08.2026 |
| Kurmitar Iron Ore Mining Pvt. Ltd. DA – 1 and DA - 2 | Kurmitar, Odisha       | Iron Ore Handling                  | 01.04.2026 – 31.03.2036  |
| Kurmitar Iron Ore Mining Pvt. Ltd.                   | Kurmitar, Odisha       | 33 KV Transmission line ( 29 KM ). | 21.07.2026 – 20.10.2026  |
| Adani Infrastructure Management Services, Kawai      | Raipur, CG             | O & M of CHP,                      | 01.04.2025 – 31.03.2028  |

Very recently, the organisation has been successful in securing two major 3-year O&M contracts:

- Adani Raipur CHP – Site will be mobilised from 01.04.2025
- Adani Kurmitar – Site is expected to be mobilised from 01.10.2025

The Company has been booking sustained profits in this business domain with appreciable list of satisfied customers including the Adani Group, where the presence is formidable. Efforts are already under way for scaling up the business volume by 50% within the next financial year. However, major constraint remains in the area of Commercial Qualification for PSU tenders and the ban on MBE from Mahanadi Coalfield Ltd. Hopefully, issue pertaining to Net Worth, Insolvency and Working Capital would be resolved at the earliest with the successful implementation of the Resolution Plan.

Following is a brief report on the Coal India First Mile Connectivity projects that the cCompany is executing through Joint Ventures:

**A. Projects of Mahanadi Coalfields Limited (MCL):**

- CHP of Sardega was awarded by MCL on MBE-Trolex-Kilburn JV. PG test of the plant was completed in Dec'25 and O&M part of the contract started since 1.1.2026. Negative cash flow for the portion of O&M is matter of concern.
- CHP of Ananta OCP was awarded by MCL on MBE-AML JV. The organization had to face challenges related to unfavorable soil conditions due to varying nature of overburden. All erection jobs are under progress now and the project is targeted for completion by December 2026.

**B. Projects of South Eastern Coalfields Limited (SECL):**

- CHP of Dipka OCP was awarded by SECL on MBE-AML JV. The PG test of the plant completed in Dec'25 and O&M part of the contract started since 1.1.2026. Negative cash flow for the portion of O&M is matter of concern.
- CHP of Chhal OCP was awarded by SECL on MBE-Trolex JV. The PG has been successfully conducted on 29.05.2024 and the plant is under our Operation & Maintenance since 26.06.2024. Negative cash flow for the portion of O&M is matter of concern.
- CHP of Baroud OCP was awarded by SECL on MBE-Trolex JV. The PG has been successfully conducted on 27.07.2024 and the plant is under our Operation & Maintenance since 01.08.2024. Negative cash flow for the portion of O&M is matter of concern.

The Company has faced significant challenges with incomplete power projects, especially under the threat of Bank Guarantee (BG) encashments and rising loan burdens. Despite this, the Company resumed work on key projects with support from clients like NTPC, GSEC, DVC, and BHEL, under the guidance of the Resolution Professional and the Successful Resolution Applicant. A brief of these projects are as follows:

**(i) OCPL, Manoharpur Coal Handling Plant:**

The CHP project at Manoharpur, Sundargarh (OCPL) was completed in December 2023, with all PG and reliability tests successfully done. The O&M contract concluded in December 2024. Minor defects were addressed and commercial settlement for unattended work completed. A waiver request for Liquidated Damages accepted by OCPL's and contract closure also completed in June'26 followed by release of Rs.51.7Cr milestone payments in July'25.

**(ii) NMDC Stacker Reclaimer & Barrel Reclaimer project a/c BHEL:**

The NMDC project via BHEL at Nagarnar (8 Stackers & 2 Barrel Reclaimers) has been completed up to PG test. Part defect rectification have been completed and balance is not feasible to complete due to non-response of OEM (M/s Elecon). Therefore, we have requested BHEL for contract closure with commercial settlement which is under consideration. Once contract closure is completed, BG of Rs. 4.00 Cr. Would be released.

**(iii) GSECL LMCS and AHP package, Bhavnagar:**

At GSEC Bhavnagar, Ball Mill #1B has been successfully commissioned since Dec 2017. Following renewed discussions in January 2024, the project resumed, with Ball Mill #2A commissioned in Sept 2025 (PLC



commissioning underway). Silo #4 completed in May'26. Remaining two Ball Mills and Silos #5-6 are targeted for completion by 31.12.2026. Timely completion is critical to safeguard BGs worth Rs.39.82 Cr and uphold the Company's reputation in the market.

**(iv) DVC, Bokaro Combined Ash Slurry Disposal System project:**

The DVC Bokaro project has been suspended since 2018 due to financial constraints and local disruptions. The Company re-mobilize the site in May'25 for completing key civil, mechanical, and EIC works. The completion time has been estimated up to March'27. Challenges include financial support, local contractors and security issues, especially with the Clariflocculator located outside plant premises. Completion is vital to protect the Company's reputation and safeguard BGs worth Rs.10.33 Cr.

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

| Key Financial Ratios                         | 2025-26 | 2024-25 | Change (%) | Reasons*                                                                                                                                                   |
|----------------------------------------------|---------|---------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Debt Equity Ratio<br>(Number of times)       | 0.19    | (1.13)  | (116.89)   | *Due to the implementation of the approved Resolution Plan and reassessment of the assets of the Company, the corresponding YoY ratios are not comparable. |
| Interest Coverage Ratio<br>(Number of times) | 16.56   | (1.02)  | (1623.21)  |                                                                                                                                                            |
| Current Ratio<br>(Number of times)           | 1.19    | 0.09    | 1227.00    |                                                                                                                                                            |
| Debtors Turnover (Number of times)           | 0.29    | 0.19    | 50.09      |                                                                                                                                                            |
| Inventory Turnover<br>(Number of times)      | 656.93  | 352.68  | 86.27      |                                                                                                                                                            |
| Operating Profit<br>Margin (%)               | 2.08    | (1.16)  | (179.09)   |                                                                                                                                                            |
| Net Profit Margin (%)                        | 46.95   | (16.35) | (387.15)   |                                                                                                                                                            |
| *Return on Net Worth (%)                     | NA      | NA      | -          |                                                                                                                                                            |

**DISCLOSURE OF ACCOUNTING TREATMENT**

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

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

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

In terms of employee care, the organization provides benefits and allowances which are in keeping with market trends. The Company also provides comprehensive insurance coverage for employees to take care of medical exigencies and unforeseen situations. The Company is continuing with its organizational transformation initiatives with a key focus on restructuring to become a more agile and robust organization. Employee relations remained cordial throughout 2025-26.

As on 31st March 2026, the total number of employees of the Company was 323.

Industrial relations during the year remained cordial.

### CAUTIONARY STATEMENT

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

For **McNally Bharat Engineering Company Limited**

12th August 2026  
Kolkata.

**Partha Sarathi Bhattacharyya**  
(DIN 00329479)  
*Chairman*

# Report on Corporate Governance

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

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

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

The Board of Directors of the Company (the "Board") is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure healthy standards of Corporate Governance.

In terms of the Resolution Plan approved by the Hon'ble National Company Law Tribunal ("NCLT") vide Order dated 19<sup>th</sup> December 2023 read with further Order dated 3<sup>rd</sup> December 2024, the Board on 22<sup>nd</sup> February 2025 made preferential allotment of 300,00,000 equity shares in the Company to Mandal Vyapaar Private Limited in "Promoter" category so as to comprise 90% of total shareholding, 16,66,667 equity shares to the Financial Creditors in "Public" category so as to constitute 5% and also reduced the existing "Public" shareholding to 16,66,667 shares so as to represent the balance 5% in the total paid-up equity share capital post-restructuring, while extinguishing in entirety the shareholding of the erstwhile promoters in the Company.

The equity shares resulting from capital restructuring under the Resolution Plan received Listing approval from the stock exchanges, namely, BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE") on 16<sup>th</sup> March 2026 and 24<sup>th</sup> April 2026 respectively. Trading permission from stock exchanges is currently awaited.

In terms of the approved Resolution Plan and pursuant to the Hon'ble NCLT Order dated 23<sup>rd</sup> September 2025, BTL EPC Limited (the "Successful Resolution Applicant") finally paid the balance 3<sup>rd</sup> tranche money to the Banks (ie. "Assenting Financial Creditors") on 17<sup>th</sup> October 2025.

A report on compliance with the principles of Corporate Governance enunciated by the Securities & Exchange Board of India (SEBI) in Chapter IV of the SEBI (Listing

## Report on Corporate Governance (Contd.)

Obligations and Disclosure Requirements) Regulations 2015, to the extent applicable to the Company during the financial year under review, is given below:

### 2. Board of Directors

#### (a) Board Composition:

As part of the implementation of the Resolution Plan approved by the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata Bench vide Order dated 19<sup>th</sup> December 2023 read with further Order dated 3<sup>rd</sup> December 2024, the Company's Board of Directors was reconstituted on 6<sup>th</sup> January 2025 with 3 (three) Independent Directors. With further appointments made during the financial year 2025-26, the current Board strength stands at 7 (seven).

The Board met 6(six) times during the Financial Year viz. on 22<sup>nd</sup> May 2025, 11<sup>th</sup> July 2025, 6<sup>th</sup> August 2025, 13<sup>th</sup> November 2025, 20<sup>th</sup> February 2026 and 24<sup>th</sup> March 2026. All meetings of the Board, except that of 22<sup>nd</sup> May 2025, were held through videoconference.

Details of attendance of Directors at the said Meetings held during the Financial Year and at the Company's 62<sup>nd</sup> Annual General Meeting together with the number of other directorships and committee memberships held by them as on 31<sup>st</sup> March 2026 are as follows:

| Name                                               | Designation | Category                      | Attendance    |          | * No. of other directorships held in Indian public limited companies | @No. of Board Committees (other than McNally Bharat Engineering Company Limited) |
|----------------------------------------------------|-------------|-------------------------------|---------------|----------|----------------------------------------------------------------------|----------------------------------------------------------------------------------|
|                                                    |             |                               | Board Meeting | Last AGM |                                                                      |                                                                                  |
| Mr. Partha Sarathi Bhattacharyya<br>DIN – 00329479 | Chairman    | Non-executive Independent     | 6             | Yes      | 8                                                                    | 1 (1)                                                                            |
| Mr. Pradip Kumar Bishnoi<br>DIN – 00732640         | Director    | Non-executive Independent     | 6             | Yes      | 3                                                                    | 5 (1)                                                                            |
| Mr. Anil Kumar Jha<br>DIN – 03590871               | Director    | Non-executive Independent     | 6             | Yes      | 0                                                                    | 0                                                                                |
| Mr. Mehar Chand Thakur<br>DIN – 08648033           | Director    | Non-executive Independent     | 2             | N/A#     | 0                                                                    | 0                                                                                |
| Mr. Debidas Datta<br>DIN – 00229856                | Director    | Non-executive Independent     | 2             | N/A#     | 3                                                                    | 0                                                                                |
| Ms. Anuradha Gupta<br>DIN – 06658142               | Director    | Non-executive Independent     | 4             | Yes      | 1                                                                    | 0                                                                                |
| Ms. Poonam Singhania<br>DIN – 11307969             | Director    | Non-executive Non-Independent | 3             | N/A#     | 0                                                                    | 0                                                                                |

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

@ Only chairmanship and membership of the Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the Listing Regulations. Figures within brackets indicate the number of Committee chairmanships held.

# Ms. Poonam Singhania, Mr. Mehar Chand Thakur, Mr. Debidas Datta were appointed to the Company's Board w.e.f. 1<sup>st</sup> October 2025, 22<sup>nd</sup> October 2025 and 1<sup>st</sup> December 2025 respectively, and therefore, could not attend the 62<sup>nd</sup> AGM on 25<sup>th</sup> September 2025.



## Report on Corporate Governance (Contd.)

Note 1: Mr. Rajendra Mohan Mathur (DIN-10848005) having Income Tax PAN-ADRP8877B was appointed as the Chief Executive Officer (CEO) of the Company w.e.f. 21<sup>st</sup> December 2024 by the Monitoring Committee formed as per the Resolution Plan approved vide NCLT Order dated 19<sup>th</sup> December 2023. His appointment and remuneration terms were noted by the reconstituted Board of Directors at its first meeting held on 14<sup>th</sup> January 2025. Mr. Mathur was “key managerial personnel” as defined under Section 2(51) of the Companies Act 2013 and was appointed as CEO without being a member of the Board.

Mr. Rajendra Mohan Mathur resigned from the services of the Company, effective 18<sup>th</sup> July 2026. On 27<sup>th</sup> July 2026, Board of Directors appointed Mr. Sarvesh Kumar Adukia (DIN:10587259) having Income Tax PAN-AGBPA4179P as the Chief Executive Officer and he has since been holding office as “key managerial personnel” without being a member of the Board.

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

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

| Name of Director                 | Name of the listed company         | Category of Directorship |
|----------------------------------|------------------------------------|--------------------------|
| Mr. Partha Sarathi Bhattacharyya | Texmaco Rail & Engineering Limited | Independent Director     |
|                                  | Ramkrishna Forgings Limited        | Independent Director     |
| Mr. Pradip Kumar Bishnoi         | Rane Holdings Limited              | Independent Director     |
|                                  | Rane (Madras) Limited              | Independent Director     |
|                                  | Avadh Sugar & Energy Limited       | Independent Director     |
| Mr. Anil Kumar Jha               | None                               | Not applicable           |
| Mr. Mehar Chand Thakur           | None                               | Not applicable           |
| Mr. Debidas Datta                | None                               | Not applicable           |
| Ms. Anuradha Gupta               | None                               | Not applicable           |
| Ms. Poonam Singhania             | None                               | Not applicable           |

### (c) Disclosure of relationship between Directors *inter-se*

None of the Directors are related to any other Director.

### (d) Shareholding of Non-executive Directors

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

### (e) Web-link where details of familiarization programs for Independent Directors are disclosed

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

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

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

Normally, the Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, experience and expertise for the Board as a whole and its individual members with the objective of having a Board with diverse background and experience in business, governance, education

## Report on Corporate Governance *(Contd.)*

and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Company in today's business environment; understanding of Company's business, experience in dealing with strategic issues and long-term perspectives, maintaining an independent familiarity with the external environment in which the Company operates and especially in the Director's particular field of expertise, educational and professional background, personal accomplishment and geographic, gender, age and ethnic diversity.

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

### **(i) Qualification**

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

### **(ii) Experience**

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

### **(iii) Skills**

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

### **(iv) Abilities and Attributes**

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

### **(v) Core skills of the Board**

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



## Report on Corporate Governance (Contd.)

| Core skill/ expertise / competencies                                                        | Mr. Partha Sarathi Bhattacharyya | Mr. Pradip Kumar Bishnoi | Mr. Anil Kumar Jha | Mr. Mehar Chand Thakur | Mr. Debidas Datta | Ms. Anuradha Gupta | Ms. Poonam Singha-nia |
|---------------------------------------------------------------------------------------------|----------------------------------|--------------------------|--------------------|------------------------|-------------------|--------------------|-----------------------|
| Adequate knowledge of the Company's business and the Industry in which the Company operates | ✓                                | ✓                        | ✓                  | ✓                      | ✓                 | ✓                  | ✓                     |
| Strategy Acumen                                                                             | ✓                                | ✓                        | ✓                  | ✓                      | ✓                 | ✓                  | ✓                     |
| Financial Skills                                                                            | ✓                                | ✓                        | ✓                  | ✓                      | ✓                 | ✓                  | ✓                     |
| Communication Skills                                                                        | ✓                                | ✓                        | ✓                  | ✓                      | ✓                 | ✓                  | ✓                     |
| Leadership & Management Skills                                                              | ✓                                | ✓                        | ✓                  | ✓                      | ✓                 | ✓                  | ✓                     |

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

| Sl. No. | Name of the Director             | Area of Expertise/ Skill and Brief profile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Mr. Partha Sarathi Bhattacharyya | Masters in Physics from Jadavpur University, joined Coal India Limited (CIL) in 1977 and become its Chairman (2006-2011). Prior to that, he joined Bharat Coking Coal Limited (BCCL) as CMD in 2003. The implementation of sale of coal through e-auction was first introduced by Mr. Bhattacharyya in BCCL. Mr. Bhattacharyya was featured in a document published by Tata McGraw Hill in 2011 as one of the Transformation Leaders of Corporate India. He was also recognized by Forbes Magazine as a High Achiever of 2010. He is recipient of a number of awards and accolades. Notable among these are CEO of the year 2010 from Indian Chamber of Commerce as well as World HRD Congress, <i>Swami Vivekananda National Award -2011</i> & <i>SCOPE Special Award of the Jury in 2010</i> . Post CIL, Mr. Bhattacharyya served for around 5 years in whole time Board level positions, initially at Haldia Petrochemicals Limited followed by Deepak Fertilizers and Petrochemicals. He is currently the Non-Executive Chairman of Peerless General Finance and Investment and in the Board of Peerless Hospital. He is in the Board of several listed companies including Ramakrishna Forgings Limited and Texmaco Rail Engineering Services Limited. Besides, he is a Director on the Board of Colonial Coal International Corporation, a TSX listed mining company of Canada. He is also Chairman of the Scrutiny Committee of the Ministry of Coal. |
| 2       | Mr. Pradip Kumar Bishnoi         | Bachelor in Petroleum Engineering (B.E.) and Masters in Business Management from IIM, Ahmedabad besides having done Management Programme at Oxford, UK and Programme on Utility Regulators at World Bank, Florida University, USA. Mr. Bishnoi has an overall 45 plus years' experience in the areas of steel, natural gas, industrial packaging, lubricants etc. He served as the CMD of Rashtriya Ispat Nigam Limited and as MD of Balmer Lawrie & Co. Limited. He is also a former member of Petroleum & Natural Gas Regulatory Board. Mr. Bishnoi was awarded gold medal by Prime Minister for development work in the year 2008. He is an avid regulator being member of Petroleum & Natural Gas Regulatory Board since 2012 and was also on the Board of Standing Council of Public Enterprises as well as World Steel Association. Mr. Bishnoi served as an Independent Director in the Rane Group of companies until 1st July 2026 and is currently in the Board of Awadh Sugar & Energy Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Report on Corporate Governance *(Contd.)*

| Sl. No. | Name of the Director   | Area of Expertise/ Skill and Brief profile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3       | Mr. Anil Kumar Jha     | Bachelor in Mechanical Engineering (B.E.) from Ranchi University, additionally holds a diploma in management from Indira Gandhi National Open University and is a law graduate from Delhi University. He also attended Columbia Business School and completed the executive education programme on high impact leadership. Mr. Jha was associated with NTPC Limited as its CMD and Director (Technical) for over 39 years. He served as a member of the Global Expert Advisory Council of International Solar Alliance. He is currently also empanelled in Arbitration panel of Indian Council of Arbitration (ICA) for PGCIL, GAIL and SCOPE. Additionally, he was member of the Expert Committee of Atomic Energy to finalise norms for tariff fixation of Nuclear Power Plants. He was member of Conciliation Committee of Independent Experts set up by Ministry of Power for settlement of disputes till December 2025. Mr. Jha has more than 40 years of experience in all areas of power plant right from conception to design and engineering, erection and commissioning, project management, human resources, operation and maintenance. |
| 4       | Mr. Mehar Chand Thakur | Served the Indian Revenue Service since 1975. During his service career spanning nearly 4 decades, Mr. Mehar Chand Thakur had been engaged in various prestigious positions in the Department of Revenue and other ministries including as Deputy Secretary in the Department for the Promotion of Industry and Internal Trade. In the Department of Revenue, Mr. Thakur oversaw Budget, Customs and Central Excise and Service Tax (now GST). As member of the Board, he attended international seminars on Industrial policies and Exim policies. Mr. Thakur's experience includes working as Commissioner of Airport, Chief Commissioner of Customs and Chief Commissioner of Excise & Service Tax (now GST). It was during his tenure as Member of the Central Board of Indirect Taxes & Customs (CBIC) that the GST Policy formulation was processed. Mr. Thakur is equally experienced in Policy formulation and its implementation. He superannuated from Revenue Service in the year 2012.                                                                                                                                                 |



## Report on Corporate Governance (Contd.)

| Sl. No. | Name of the Director | Area of Expertise/ Skill and Brief profile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5       | Mr. Debidas Datta    | <p>A scholar Civil Engineering alumnus of the Bengal Engineering College, Shibpur, Calcutta University having specialized training in Corporate Governance and Management Control Systems for enhancing performance of projects in India and abroad. Former Chairman-cum-Managing Director of WAPCOS Ltd. (a Govt. of India Undertaking) &amp; Director, WBSEDCL (a Government of West Bengal Enterprise). He is a widely travelled Executive, having visited about 40 countries for different assignments, business development, contract negotiations and project implementation. He is a Fellow and Life Member, Chairman, President &amp; Vice President of several professional and commercial institutions and represents on the Governing Board in several National and International forums <i>eg.</i> Indian Council of Arbitration, Institute of Engineers, SCOPE, FICCI, CEAI, IIRS, Indian Society of Rock Mechanics &amp; Tunnelling Technology, Bengal Chamber of Commerce etc. During his tenure as CMD, WAPCOS for more than 6 years WAPCOS lead to the rapid turnaround in the fortunes of the Company and has been consistently rated as “Excellent” by the Department of Public Enterprises. WAPCOS has been awarded Prime Minister’s “MOU Award for Excellence in Performance”. The Department of Public Enterprises, Government of India selected WAPCOS amongst the “Top 10 Central Public Enterprises” for this award. Mr. Datta headed Member of various delegation in the international forum in India &amp; abroad like World Bank, Asian Development Bank, African Development Bank etc. He has also been conferred “<i>Bharatiya Shiromani Puraskar</i>” by the Institute of Economic Studies for his outstanding contribution to Public Sector Enterprises. During his the tenure, WAPCOS received <i>EEPC Awards</i> on several occasions for highest export earnings amongst consultancy organisations. WAPCOS has also been awarded Silver Trophy of “SCOPE Award for Excellence and outstanding contribution to the Public Sector Management; “<i>Enterprises Excellence Award</i>” by Indian Institution of Industrial Engineering and “Gold Medal” by Institute of Economic Studies, New Delhi. Mr. Datta has represented/representing in the board of different Government Companies as Independent Director (RITES Limited, HSC India Limited, WBPDC, WBGEDCL, WBECSC Ltd.). He has rendered services as Advisor, NTPC Limited, Bihar Hydropower Development Corporation, WBSEDCL and PFC Consulting Limited. Mr. Datta, being Life Member of Indian Council of Arbitration, acted/acting as Arbitrator/Sole Arbitrator on behalf of NTPC, NBCC, DVC, Gammon India Limited, HCC Limited, L&amp;T Limited etc. for last 15 years. As Chairman-cum-Managing Director, Mr. Datta lead WAPCOS in the domestic and international forum and rendered consultancy services as an expert in the field of water resource, hydro power and infrastructure development.</p> |
| 6       | Ms. Anuradha Gupta   | <p>Bachelor in Economics (B.A.) from Presidency College, Kolkata in 1971 and Masters from Calcutta University in 1974-75. Ms. Gupta joined State Bank of India as a Probationary Officer in 1975 continuing there till her retirement in March 2012 as Chief General Manager, Financial Reporting and Taxation. Her portfolio included Compliance function for the Bank as a whole. After her 37 years of Banking career in India as well as abroad in New York for more than 5 years, she joined as Head (Credit and Investment) West Bengal Infrastructure Development Finance Corporation (WBIDFC) Ltd. Kolkata in 2013, handling all matters related to Credit and NPA management in respect of loans to various entities involved in setting up large infrastructural projects in West Bengal till 2018. From 2019-2024, Ms. Gupta was employed as Director-Ratings at Brickwork Ratings India Private Limited where her job responsibilities included assessment of corporates and other entities pan India for the purpose of assignment of credit ratings. She was a member of the apex rating body of the organisation, <i>ie.</i> the Central Rating Committee, in addition to being the Chairperson of one of the Senior Rating Committees at the next lower level. Ms. Gupta had also imparted training on “Risk Management in Banks” at the Bandhan School of Development Banking in Rajpur, Kolkata.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

## Report on Corporate Governance (Contd.)

| Sl. No. | Name of the Director  | Area of Expertise/ Skill and Brief profile                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7       | Ms. Poonam Singhanian | A British citizen and a Math & English Director in a First Class Learning Centre in London, U.K., Ms. Poonam Singhanian has made her home in UK for over 45 years and, for the past 22 years, has successfully run tutorial centres supporting children's education. Her passion for community involvement and charitable work is deeply rooted in her family legacy. Inspired by her ancestors' belief that <i>"Girls hold the future – educate one girl and she will educate the world,"</i> She has dedicated herself to uplifting others. She is committed not only to empowering women and girls but also to bringing people together for meaningful causes, fostering a spirit of unity and shared purpose. She has worked extensively in the education sector, where her impact extends beyond the classroom. Ms. Poonam spent nearly eight years with <i>Sangam</i> , a women's charity based in North London. During her time as a committee member and later as a board member and treasurer, she organised educational workshops for young women and children, helping them develop valuable skills and confidence. Her leadership also saw the successful planning of community events and the responsible management of the charity's finances, ensuring its sustainability and growth. Building on her experience, she joined The Rajasthani Foundation (TRF), another UK-based charity. Elected as a board director, she played a key role in launching a cultural exchange programme for youth, which fostered stronger ties between generations and deepened their affinity for their homeland. Her vision for TRF was to raise awareness and support for less privileged people in India, particularly women and children, and to unite people across the UK and abroad. By encouraging successful members of the community to share their experiences and knowledge, she has inspired and motivated countless young people to pursue their dreams. Her visionary leadership extends to senior living. She researched the needs of those entering retirement and more than 11 years ago, she envisioned a dedicated community for seniors. Her goal was to create a place where individuals could live with autonomy, dignity, and fulfilment, free from the worry of becoming a burden to others. Despite considerable challenges and scepticism from some quarters, Ms. Poonam led extensive research and brought together like-minded people to shape the <i>Anantam Senior Living Project</i> . Although circumstances forced her to pause the initiative, she remains proud that similar communities are now flourishing in India, validating her foresight. Today, she continues to advocate for better retirement options, emphasising the importance of quality of life, independence, and the preservation of one's spirit and lifestyle for an ageing, yet vibrant, population. Ms. Poonam Singhanian's journey is marked by her inspirational approach, family legacy, and unwavering commitment to education, community, and visionary change and encourages others to lead with compassion, purpose, and resilience. |

### (h) Independent Directors

There were 6 (six) Independent Directors on the Company's Board as on 31<sup>st</sup> March 2026. It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

### (i) Confirmation of Compliance with the Codes

All directors and members of senior management of the Company have, as on 31<sup>st</sup> March 2026, affirmed their compliance with:

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



## Report on Corporate Governance (Contd.)

### 3. Board Committees

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

- (i) Audit Committee
- (ii) Stakeholders' Relationship Committee
- (iii) Nomination and Remuneration Committee
- (iv) Risk Management Committee

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

#### (i) Audit Committee

##### Composition, Meetings and Attendance

As on 31<sup>st</sup> March 2026, the Audit Committee comprised of four Board members, namely, Mr. Partha Sarathi Bhattacharyya, Mr. Pradip Kumar Bishnoi, Mr. Anil Kumar Jha and Ms. Anuradha Gupta.

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

Mr. Partha Sarathi Bhattacharyya, Chairperson of the Audit Committee, being one of the Transformation Leaders of Corporate India, possesses expertise in specific functional areas such as finance, administration, operations & management, power, technology, environment and corporate governance. Mr. Pradip Kumar Bishnoi, B.E. (Petroleum Engineering) & MBA (IIM-Ahmedabad), a member of the Audit Committee, has expertise in engineering, management & leadership, business development and general administration. Mr. Anil Kumar Jha, B.E. (Mechanical Engineering), MBA & LLB (Delhi University), member of the Audit Committee, has profound experience in all areas of power plant right from conception to design and engineering, erection and commissioning, project management, human resources, operation and maintenance. Ms. Anuradha Gupta, MA (Economics) with her decades of Banking experience has risk management, compliance monitoring, financial reporting, taxation, Balance Sheet compilation, audit management, credit rating and NPA management as her forte.

The Audit Committee met 5(five) times during the Financial Year viz. on 22<sup>nd</sup> May 2025, 6<sup>th</sup> August 2025, 13<sup>th</sup> November 2025, 20<sup>th</sup> February 2026 and 24<sup>th</sup> March 2026. All meetings of the Committee, except that of 22<sup>nd</sup> May 2025, were held through videoconference. Attendance of members at the Committee Meetings held during the Financial Year 2025-26 are given below:

| Name                            | No. of Meetings attended |
|---------------------------------|--------------------------|
| Mr. Parth Sarathi Bhattacharyya | 5                        |
| Mr. Pradip Kumar Bishnoi        | 5                        |
| Mr. Anil Kumar Jha              | 5                        |
| Ms. Anuradha Gupta              | 4                        |

Mr. Partha Sarathi Bhattacharyya, Chairman of the Board also attended the Company's 62<sup>nd</sup> Annual General Meeting in the capacity of the Chairman of the Audit Committee.

The Statutory Auditors, Internal Auditor, Chief Executive Officer and the Chief Financial Officer attend the Audit

## Report on Corporate Governance (Contd.)

Committee Meetings. At the invitation of the Company, representatives from various divisions of the Company also attend the Audit Committee Meetings to respond to queries raised at the meetings. The Company Secretary acts as the Secretary to the Committee.

### Role of Audit Committee

The role of the Audit Committee is in accordance with those specified in Regulation 18(3) read with Part C of Schedule II to the Listing Regulations and Section 177 of the Companies Act, 2013.

## (ii) Stakeholders' Relationship Committee

### Composition, Meetings and Attendance

As on 31<sup>st</sup> March 2026, the Stakeholders' Relationship Committee comprised of 4 (four) Board members, namely, Mr. Partha Sarathi Bhattacharyya, Mr. Pradip Kumar Bishnoi, Mr. Anil Kumar Jha and Ms. Anuradha Gupta. Mr. Anil Kumar Jha, Independent Director, is the Chairman of the Committee.

The Committee met only once viz. on 24<sup>th</sup> March 2026, with all four members attending the Meeting.

The quorum for a meeting of the Stakeholders' Relationship Committee is two Directors. The Chief Executive Officer is a permanent invitee to the meetings of the Committee. The Company Secretary acts as Secretary to the Committee.

Mr. Anil Kumar Jha, Chairman of the Stakeholders Relationship Committee attended the Company's 62<sup>nd</sup> Annual General Meeting held on 25<sup>th</sup> September 2025.

### Role of Stakeholders' Relationship Committee

The terms of reference of the Committee are in accordance with Regulation 20(4) and Part D of Schedule II to the Listing Regulations and Section 178 of the Companies Act, 2013. The Committee monitors the Company's response to investor complaints. The Committee is authorised to approve the Issue of duplicate share certificates in dematerialized form *in lieu of* those lost or destroyed.

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

Effective 22<sup>nd</sup> February 2025, the restructuring of capital in terms of the Resolution Plan resulted in the Company's paid-up capital at 333,33,334 Equity Shares of nominal value Rs 10 per share. As on date, all shares stand credited in the Demat account of respective shareholders. Final listing/trading approval from stock exchanges is awaited.

As on 31<sup>st</sup> March 2026 there were no requests for dematerialization and no physical transfer remained pending. During the Financial Year 2025-26, only 1 (one) complaint was received and resolved and there were no complaints pending at the year-end. Company received few correspondences from its Shareholders relating to transfer of shares, dematerialization, split/transmission, change in address etc., however, no correspondence remained pending as on 31<sup>st</sup> March 2026.

## (iii) Nomination and Remuneration Committee

### Composition, Meetings and Attendance

As on 31<sup>st</sup> March 2026, the Nomination & Remuneration Committee (NRC) comprised of 3 (three) Board members, namely, Mr. Partha Sarathi Bhattacharyya, Mr. Pradip Kumar Bishnoi and Mr. Anil Kumar Jha. Mr. Pradip Kumar Bishnoi, Independent Director, is the Chairman of the Committee.

During the Financial Year, the Committee met thrice viz. on 22<sup>nd</sup> May 2025, 13<sup>th</sup> November 2025 and 24<sup>th</sup> March 2026 with all three members attending. All meetings of the Committee, except that of 22<sup>nd</sup> May 2025, were



## Report on Corporate Governance (Contd.)

held through videoconference. The quorum for a meeting of the NRC is either two members or one third of the members of the Committee, whichever is greater, including one independent director in attendance. The Chief Executive Officer is a permanent invitee to the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

Mr. Pradip Kumar Bishnoi, Chairman of the Nomination & Remuneration Committee, attended the Company's 62<sup>nd</sup> Annual General Meeting held on 25<sup>th</sup> September 2025.

### Role of Nomination and Remuneration Committee

The role of the Nomination & Remuneration Committee is in accordance with Regulation 19 and Part D of Schedule II to the Listing Regulations and sub-sections (2), (3) and (4) of Section 178 of the Companies Act, 2013.

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

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

### (iv) Risk Management Committee

#### Composition, Meetings and Attendance

The Company does not have the statutory obligation under Regulation 21 of SEBI Listing Regulations 2015 to form a Risk Management Committee ("RMC"). However, the Board of Directors, on 14<sup>th</sup> January 2025, voluntarily formed the Company's Risk Management Committee, comprising of 4 (four) members of the Board, namely, Mr. Partha Sarathi Bhattacharyya, Mr. Pradip Kumar Bishnoi, Mr. Anil Kumar Jha and Ms. Anuradha Gupta. Senior executives of the Company have been inducted in the Risk Management Committee during the current financial year. As on 31<sup>st</sup> March 2026, Mr. Anil Kumar Jha, Independent Director, was the Chairman of the Committee.

During the Financial Year 2025-26, the Committee met only once viz. on 24<sup>th</sup> March 2026 with all four members attending the Meeting.

The quorum for a meeting of the RMC is either two members or one third of the members of the Committee, whichever is higher, including at least one Director in attendance. The Chief Executive Officer is a permanent invitee to the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

#### Role of Risk Management Committee

The role and responsibilities of the Committee include performance of functions specified in Part D of Schedule II to the Listing Regulations.

The Board has defined the role and responsibility of the Risk Management Committee and delegated the monitoring and reviewing of the Risk Management Plan to the Committee and such other functions as it deemed fit, including specifically, cyber security.

The Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if considered necessary.

### (v) Corporate Social Responsibility (CSR) Committee

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

## Report on Corporate Governance (Contd.)

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

### 4. Remuneration of Directors

Apart from sitting fee, no remuneration is paid to the Non-executive Directors. Directors who attend Board or Committee meetings are paid Sitting Fees as per schedule given below:

| Sl | Name of Meeting                       | Sitting Fee (excluding taxes) per Director per meeting |
|----|---------------------------------------|--------------------------------------------------------|
| 1  | Board Meeting                         | Rs 50,000                                              |
| 2  | Audit Committee                       | Rs 40,000                                              |
| 3  | Stakeholders Relationship Committee   | Rs 30,000                                              |
| 4  | Nomination and Remuneration Committee | Rs 30,000                                              |
| 5  | Risk Management Committee             | Rs 30,000                                              |

Apart from the above, an Independent Director is paid Sitting Fee @ Rs 30,000 for attending each Independent Directors' Meeting. Such meetings are statutorily required to be held at least once during a financial year. During the Financial Year under review only one meeting of Independent Directors was held on 24<sup>th</sup> March 2026.

During the Financial Year 2025-26, the Company paid total amount of Rs 28,70,000 towards sitting fees. No stock option was given to any Director.

### 5. General Body Meetings

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

| Financial Year ended        | Location                                                         | Date                                       | Time    |
|-----------------------------|------------------------------------------------------------------|--------------------------------------------|---------|
| 31 <sup>st</sup> March 2023 | *Held through video conference / other audio-visual means (OAVM) | Thursday, 31 <sup>st</sup> August 2023     | 3.30 PM |
| 31 <sup>st</sup> March 2024 | *Held through video conference / other audio-visual means (OAVM) | Wednesday, 25 <sup>th</sup> September 2024 | 3.30 PM |
| 31 <sup>st</sup> March 2025 | *Held through video conference / other audio-visual means (OAVM) | Thursday, 25 <sup>th</sup> September 2025  | 3.30 PM |

*\*In compliance with the MCA circulars dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 5<sup>th</sup> May 2020, 13<sup>th</sup> January 2021, 5<sup>th</sup> May 2022, 28<sup>th</sup> December 2022 and 25<sup>th</sup> September 2023 and 19<sup>th</sup> September 2024, as applicable, and all other relevant circulars issued from time to time the AGM was held through video conference/other audio-visual means.*



## Report on Corporate Governance (Contd.)

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

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

| Particulars of Special Resolution                                                                                                                                     | Resolution adopted on | No. of shares and % of Votes in favour        | No. of shares and % of Votes against     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------------------------------|------------------------------------------|
| To approve continuation of directorship of Mr. Asim Kumar Barman (DIN: 02373956) Non-executive Independent Director beyond the age of 75 years in his current tenure. | 31.08.2023            | 49356319 (99.99795% of the valid votes cast.) | 1010 (0.00205% of the valid votes cast.) |
| To appoint Mr. Partha Sarathi Bhattacharyya (DIN: 00329479) as an Independent Director.                                                                               | 25.09.2025            | 30537445 (99.9999% of the valid votes cast)   | 20 (0.0001% of the valid votes cast)     |
| To appoint Mr. Pradip Kumar Bishnoi (DIN: 00732640) as an Independent Director.                                                                                       | 25.09.2025            | 30537445 (99.9999% of the valid votes cast)   | 20 (0.0001% of the valid votes cast)     |
| To appoint Mr. Anil Kumar Jha (DIN: 03590871) as an Independent Director.                                                                                             | 25.09.2025            | 30537445 (99.9999% of the valid votes cast)   | 20 (0.0001% of the valid votes cast)     |
| To appoint Ms. Anuradha Gupta (DIN: 06658142) as an Independent Director.                                                                                             | 25.09.2025            | 30537445 (99.9999% of the valid votes cast)   | 20 (0.0001% of the valid votes cast)     |
| To approve the shifting of Registered Office of the Company.                                                                                                          | 25.09.2025            | 30537445 (99.9999% of the valid votes cast)   | 20 (0.0001% of the valid votes cast)     |

No Special Resolution was adopted at the Annual General Meeting held on 25<sup>th</sup> September 2024 for the financial year ended 31<sup>st</sup> March 2024.

Mr. Prakash Kumar Shaw (ACS 32895, CP No. 16239), Practicing Company Secretary was appointed as Scrutinizer to scrutinize the e-voting process for the Annual General Meetings held on 31st August 2023, 25th September 2024 and 25th September 2025.

Postal Ballot & E-voting was done during the Financial Year 2025-26. No Extraordinary General Meeting was held during the said Financial Year.

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

3 Special Resolutions

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

Mr. Prakash Kumar Shaw, Practicing Company Secretary (ACS 32895, CP 16239) was appointed as the Scrutinizer for scrutinizing the Postal Ballot through remote e-voting.

### (v) Procedure for postal ballot/remote e-voting

- In conformity with the existing statutory and regulatory requirements, the Postal Ballot Notice dated 15<sup>th</sup> October 2025 was sent through electronic mode to Members whose names appeared in the Register of Members of the Company on 24<sup>th</sup> October 2025 and whose e-mail addresses were registered with the Company or with the Depositories.
- Members were allowed to vote on the Resolutions only through remote e-voting. The remote e-voting period remained open from 10:00 A.M. on 2nd November 2025 up to 5:00 P.M. on 1st December 2025.
- Shareholders holding shares as on the “cut off” date, i.e. 24<sup>th</sup> October 2025 were entitled to vote on the proposed 3 (three) resolutions as mentioned in the Postal Ballot Notice.

## Report on Corporate Governance (Contd.)

- The Resolutions, passed by requisite majority, were be deemed to have been passed on the last date specified for remote e-voting i.e. 1<sup>st</sup> December 2025.
- The Company engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its Members.
- Voting Result of the Postal Ballot along with Scrutinizer's Report on the postal ballot & remote e-voting.

### (vi) Proposal for Special Resolution, if any

As on date, no Special Resolution is proposed to be passed through postal ballot.

## 6. General Disclosures

### (i) Related Party Transactions

- (a) A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee. All related party transactions are approved by the Audit Committee/ Board as applicable and thereafter by the Shareholders, as may be applicable.
- (b) There were no material individual transactions with related parties which were not in the ordinary course of business and not at arm's length during the Financial Year ended 31<sup>st</sup> March 2026.
- (c) There were no significant material transactions during the financial year with related parties such as Promoters, Directors, Key Managerial Personnel and their Relatives that could have a potential financial conflict of interest with that of the Company.
- (d) The mandatory disclosure of transactions with related parties, in compliance of the Indian Accounting Standard (IndAS-24), forms part of this Annual Report.
- (e) Related Party Transactions Policy of the Company can be accessed on the Company's website at: <https://www.mcnallybharat.com/assets/pdf/investor/policy/related-party-transaction-policy.pdf>.

### (ii) Capital market non-compliances, if any

There were no instances of non-compliance by the Company or strictures imposed by the Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital markets, during the last 3 (three) financial years, except imposition of SOP Fines by BSE Limited and The National Stock Exchange of India Limited for inadequacies found in the quarterly report on Corporate Governance filed during the Financial Year 2025-26. Waiver Application filed by the Company with the respective Stock Exchanges in respect of such SOP Fines were considered and substantial waiver granted. The final SOP Fines as determined by the Stock Exchanges were immediately paid by the Company and there exists no dues in that respect as on 31<sup>st</sup> March 2026.

### (iii) Vigil Mechanism/ Whistleblower Policy

The Company has a Whistleblower Policy which can be accessed on the Company's website at: <https://www.mcnallybharat.com/assets/pdf/investor/policy/MBECL-Whistleblower%20Policy-Revised%202022.pdf>.

It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in terms of the policy. During the Financial Year, no complaints were received by the Whistle Committee/Audit Committee.

### (iv) Other Policies

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

- (a) Policy on Determination and disclosure of material events at <https://mcnallybharat.com/wp-content/uploads/2025/07/materiality-of-disclosures.pdf>



## Report on Corporate Governance (Contd.)

- (b) Policy on Preservation and Archival of documents at <https://www.mcnallybharat.com/assets/pdf/investor/policy/preservation-policy-MBE.pdf>.
- (c) Policy for Determining Material Subsidiaries at: <https://mcnallybharat.com/wp-content/uploads/2025/07/policy-on-material.pdf>. The Company did not have any 'material' subsidiary as on 31<sup>st</sup> March 2026.
- (d) The Board of Directors is yet to adopt a Risk Management Policy, however, there is statutory obligation for adopting such Policy under Regulation 21 of the SEBI Listing Regulations is not applicable to the Company.

### (v) Insider Trading

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

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

### (vi) Independent Directors' Meeting

The Company's Independent Directors met on 24<sup>th</sup> March 2026 to discuss the procedure for reviewing the performance of the Board as whole and the individual members, performance of the Chairperson and the quality, quantity and timelines of information exchange between the Company Management and the Board.

### (vii) Board Evaluation

The scope of Board Evaluation during every financial year includes performance evaluation of the Board of Directors as a whole, its individual members and functional committees. Board Evaluation in respect of the Financial Year 2025-26 was duly conducted.

### (viii) Prevention of Sexual Harassment at Workplace

During the year under review, the Company had complied with the provisions relating to the constitution of an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act").

The details of complaints received and resolved by the Committee during the Financial Year 2025-26 year are as under:

|                                                               |     |
|---------------------------------------------------------------|-----|
| Number of sexual harassment complaints received               | Nil |
| Number of sexual harassment complaints disposed off           | Nil |
| Number of sexual harassment complaints pending beyond 90 days | Nil |

### (ix) Internal Controls

During the year under review, the Company had in place adequate Internal Control systems and procedures commensurate with its nature and size of business.

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

A certificate from M/s Prakash Shaw & Co., Practicing Company Secretaries, 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 ("SEBI") Board or the Ministry of Corporate Affairs or any such statutory authority is attached to and forms part of this Report.

## Report on Corporate Governance (Contd.)

### (xi) Fee to Statutory Auditors

M/s. V. Singhi & Associates, acted as the Statutory Auditors of the Company for the Financial Year 2025-26. The details of the fees paid/payable to the Statutory Auditors by the Company for the Financial Year are detailed in the Standalone Financial Statements of the Company.

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

### (xii) Committee Recommendations

During the Financial Year 2025-26, there has been no instance where the Board had not accepted any recommendation of or submission by any of its Committees, which is mandatorily required to be accepted.

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

(a) During the Financial Year 2025-26, the Company had a separate post of the Non-executive Chairman and there was no “Managing Director” as defined under Section 2(54) of the Companies Act 2013. Further, the Chief Executive Officer of the Company is not a member of the Board.

(b) The Internal Auditor reports directly to the Audit Committee.

## 7. Means of Communication

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

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

| Sl. | Nature of Communication                                          | Media used for Publication | Dates of Publication | Forwarded/to be forwarded to Stock Exchanges on |
|-----|------------------------------------------------------------------|----------------------------|----------------------|-------------------------------------------------|
| 1   | Quarterly unaudited financial results (first quarter 2025-26)    | Newspapers                 | 08.08.2025           | 08.08.2025                                      |
| 2   | Half-yearly unaudited financial results (second quarter 2025-26) | Newspapers                 | 15.11.2025           | 17.11.2025                                      |
| 3   | Quarterly unaudited financial results (third quarter 2025-26)    | Newspapers                 | 22.02.2026           | 23.02.2026                                      |
| 4   | Annual audited financial results (2025-26)                       | Newspapers                 | 30.05.2026           | 30.05.2026                                      |

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

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

The Management Discussion & Analysis for the Financial Year 2025-26 forms part of the Directors’ Report.

## 8. General Shareholder Information

a. The Sixty-third Annual General Meeting (63<sup>rd</sup> AGM) of the Company will be held at 3.30 PM on Friday, 25<sup>th</sup> September 2026 through Videoconference or Other Audio-Visual Means (VC/OAVM). As per Circular Nos. 14/2020 dated 8<sup>th</sup> April 2020 and 17/2020 dated 13<sup>th</sup> April 2020 issued by the Ministry of Corporate Affairs (“MCA”) followed by Circular Nos. 20/2020 dated 5<sup>th</sup> May 2020, 02/2021 dated 13<sup>th</sup> January 2021, 02/2022 dated 5<sup>th</sup> May 2022, 11/2022 dated 28<sup>th</sup> December 2022, 09/2023 dated 25<sup>th</sup> September 2023 and 09/24 dated 19<sup>th</sup> September 2024 and all other relevant circulars issued from time to time, physical attendance of the



## Report on Corporate Governance (Contd.)

Members to the AGM venue is not required and the general meeting may be held through video conferencing (VC) or other audio visual means (OAVM). In compliance with the said Circulars, the 63<sup>rd</sup> AGM is being held through videoconference without the physical presence of the Members.

### b. The tentative financial calendar is as follows:

|                                                    |                                                    |
|----------------------------------------------------|----------------------------------------------------|
| Audited Financial Statement for 2025-26            | Thursday, 28 <sup>th</sup> May 2026                |
| Mailing of Annual Report for 2025-26               | On/before Thursday, 3 <sup>rd</sup> September 2026 |
| Unaudited First Quarter Financial Results 2026-27  | Wednesday, 12 <sup>th</sup> August 2026            |
| Sixty-third Annual General Meeting                 | Friday, 25 <sup>th</sup> September 2026            |
| Payment of Dividend for 2025-26                    | Not applicable                                     |
| Unaudited Second Quarter Financial Results 2026-27 | Thursday, 12 <sup>th</sup> November 2026           |

### c. Register of Shareholders

The Register of Shareholders will remain closed from Saturday, 19<sup>th</sup> September 2026 to Monday, 21<sup>st</sup> September 2026 both days inclusive.

### d. Payment of Dividend

In view of the prevailing business conditions, no dividend payment has been recommended for the Financial Year 2025-26.

### e. Listing of Shares on Stock Exchanges

As on 31<sup>st</sup> March 2026, the shares of the Company were listed on Stock Exchanges with their respective stock codes as follows:

| Name of the Stock Exchange                   | Stock Code |
|----------------------------------------------|------------|
| BSE Limited                                  | 532629     |
| The National Stock Exchange of India Limited | MBECL      |

The International Securities Identification Number ("ISIN") of the Company's shares in the dematerialized mode is INE748A01016.

The new ISIN INE748A01024 in respect of the Company's fully paid-up Equity Shares with face value Rs 10/- each shall be activated after capital reduction is effected and listing/trading approval granted by the Stock Exchanges, There are no arrears of listing and custodial fees.

### f. Market Price data

Since the Company's ISIN in respect of the fully paid Equity Shares continues to remain frozen since the "Record Date" i.e. 21<sup>st</sup> February 2025 relevant to capital reduction and preferential allotment of equity shares in terms of the Resolution Plan, the trading of such shares under the new ISIN shall commence once Trading permission is granted by the Stock Exchanges. As on 31<sup>st</sup> March 2026, Listing/Trading approval was pending, hence, no market price data for the Financial Year 2025-26 is available.

### g. Capital Restructuring pursuant to Resolution Plan approved by the Hon'ble NCLT, Kolkata Bench.

Pursuant to implementation of the Resolution Plan approved by NCLT, the Company's paid-up share capital was restructured on 22<sup>nd</sup> February 2025 with necessary approvals, in the following manner:

- Cancellation of entire share capital held by erstwhile "Promoters & Promoter Group."
- Issue and allotment of 3,16,66,667 Equity shares of face value Rs 10 each of the Company on a "Preferential allotment" basis.
- Reduction of the entire share capital held under "Public" category to 16,66,667 Equity shares.

## Report on Corporate Governance (Contd.)

Post restructuring of share capital, the shareholding pattern as on 31<sup>st</sup> March 2026 was as follows:

| Sl | Category of Shareholder                                       | No. of Shares held | % of Shares held |
|----|---------------------------------------------------------------|--------------------|------------------|
| 1  | Mandal Vyapaar Private Limited<br>(Promoter Category)         | 300,00,000         | 90%              |
| 2  | Bank/Financial Institution<br>(Public Category)               | 16,66,667          | 5%               |
| 3  | Others, resulting from capital reduction<br>(Public Category) | 16,66,667          | 5%               |
|    | <b>Total No. of Shares</b>                                    | <b>333,33,334</b>  | <b>100%</b>      |

Effective 22<sup>nd</sup> February 2025, the Company's paid-up capital stands reduced from Rs 211.57 crores to Rs 33.33 crores.

### h. Means of Communication

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations 2024, effective 31st December 2024, companies are required to send a physical letter containing the web link, to shareholders who have not registered their email addresses, enabling them to access the company's annual report digitally.

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

In terms of Regulation 36(1)(c) of the Listing Regulations, hard copy of full Annual Report are being sent to those shareholders who have requested for the same. Further, notice of the Company's Sixty-third Annual General Meeting ("63<sup>rd</sup> AGM") published in newspapers by advertisement in terms of Regulation 47 of the Listing Regulations contains a link to the Annual Report 2025-26 to enable shareholders have access to the full Annual Report.

### i. Share Transfer Agent

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

**Maheshwari Datamatics Private Limited,**

23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001

Telephone: 033 2243-5029/5809, Fax: 033 2248-4787

E-mail: [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

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.

### j. Share Transfer, Investor Service Requests & Complaints

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

In compliance with SEBI Circular No. SEBI/HO/MRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022 read with Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated 30<sup>th</sup> December 2022, the Company,



## Report on Corporate Governance (Contd.)

while processing various Investor requests, issues shares only in dematerialized form. Claimants of duplicate share certificate are requested to promptly submit the Letter of Confirmation (LOC) which is issued to them, to their Depository Participant within 120 days of the date of LOC for getting the shares credited in their Demat Account, failing which the shares are transferred to the "Suspense Escrow Demat Account" of the Company.

In terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 regarding Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination (the Circular supersedes the previous circulars dated 3<sup>rd</sup> November 2021 and 14<sup>th</sup> December 2021 with effect from 1<sup>st</sup> April 2023) it is mandatory for each holder of physical securities to furnish his/her PAN, address, email id, mobile number, bank account details, specimen signature and nomination to the Company's RTA or to the Company. Intimation with respect to such Circular was duly sent to Shareholders on 29<sup>th</sup> April 2023 by registered post at their address registered with the RTA and a General Notice in respect of the same was also hosted on the Company's website [www.mcnallybharat.com](http://www.mcnallybharat.com). The RTA is duly compliant with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 dated 8th June 2023 issued by SEBI titled "Online processing of investor service requests and complaints by RTAs".

SEBI vide Circular No. SEBI/HO/MIRSD-PoD/P/CIR/2025/97 dated 2nd July 2025 and Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30th January 2026 titled "Special Window for Re-lodgment of Transfer Requests of Physical Shares" opened 2 (two) special windows from 7th July 2025 to 6th January 2026 and 5th February 2026 to 4th February 2027 to facilitate transfer of shares in physical mode. The facility is only available to those shareholders/investors who had executed transfer deeds before 1st April 2019 but were not lodged/rejected/returned/not attended due to deficiency in the documents/process or otherwise. The transfer deed must be accompanied with original share certificate(s) or proof of acquisition. In view of the capital restructuring effected by way of share allotment/ reduction/ extinguishment/ cancellation on 22nd February 2025, the said Circulars were/are not applicable to the Company.

Vide email dated 17th September 2025, the RTA notified all Shareholders of Company regarding capital reduction and allotment of new shares pursuant to the Resolution Plan approved by the Hon'ble NCLT, Kolkata Bench vide its Order dated 19th December 2023 read with further Order dated 3rd December 2024, as follows:

- i. To every shareholder of the Company whose name appears on its Register of Members on the Record Date viz. 21st February 2025, the Company on 22nd February 2025, issued shares in the ratio 0.01172:1 for the "Public" category shareholders, resulting in reduction of the existing share capital in "Public" category to 16,66,667 shares of Rs. 10 each.
- ii. Preferential allotment of 3,00,00,000 Equity Shares at the face value of Rs. 10 each for an aggregate amount of Rs. 30,00,00,000 to Mandal Vyapaar Private Limited (a Special Purpose Vehicle nominated by Successful Resolution Applicant) and 16,66,667 Equity Shares at the face value of Rs. 10 each for an aggregate amount of Rs. 1,66,66,667 allotted to Financial Creditors for a consideration other than Cash in settlement of their admitted claims in terms of the Resolution Plan.
- iii. As per the Resolution Plan, the existing issued, subscribed and paid-up capital of the Company had been reduced from Rs 211.57 crores to Rs 3.33 crores effective 22nd February 2026.
- iv. Upon reduction and consolidation, in the event any member of Company becomes entitled to fractional equity shares, such fractional entitlements shall be rounded off to the nearest whole integer.
- v. The shares of shareholders holding shares in physical mode will be transferred to share suspense account of the Company. The Company shall inform in due course the necessary documents to be submitted for transfer of shares from share suspense account to shareholder account.
- vi. The Company is under the process of obtaining listing/trading approval from the Stock Exchange.
- vii. The existing ISIN of the Company has been suspended w.e.f. 22.02.2025 and the new ISIN will be intimated to the shareholders in due course.

**k. Unclaimed Dividends**

All unclaimed dividend up to and including the financial year ended on 31<sup>st</sup> March 2013 and unclaimed shares pertaining thereto, have been transferred to the Investor Education and Protection Fund ("IEPF") as mandated under law. Thereafter, no dividends have been declared by the Company. Hence, the two 100-Days Campaign "Saksham Niveshak" from 28th July 2025 till 6th November 2025 and from 1st April 2026 to 9th July 2026 respectively launched by the IEPF Authority, Ministry of Corporate Affairs, vide its circular dated 16th July 2025 and 27th March 2026, targeting the shareholders whose dividends have remained unpaid/unclaimed to prevent transfer of shares to IEPF, were/are not applicable to the Company.

**l. Dematerialization**

In respect of the 333,33,334 equity shares of Rs. 10 each of the Company allotted/reduced/consolidated on 22<sup>nd</sup> February 2025 in terms of the Resolution Plan, an application for listing of shares was filed with the stock exchanges viz. BSE and NSE, which were approved on 16<sup>th</sup> March 2026 and 24<sup>th</sup> April 2026 respectively. Upon corporate action executed by the Company, the said shares were credited in the respective Shareholders' Demat Account. Company has since filed application seeking Trading Permission from stock exchanges, pending approval of which, 13,09,462 equity shares in "Public" category representing 3.93% of the total share capital continue to remain in dematerialized form as on 31st March 2026 and trading in the Company's shares also remains suspended.

**m. (i) Distribution of Shareholding as on 31<sup>st</sup> March 2026**

| No. of Equity Shares Held | Shareholders   |                 |                 | Share Capital    |                 |
|---------------------------|----------------|-----------------|-----------------|------------------|-----------------|
|                           | No. of Holders | No. of Shares   | % of Total      | Rs               | % of Total      |
| Up to 500                 | 19296          | 383208          | 98.7159         | 3832080          | 1.1496          |
| 501 to 1000               | 128            | 85946           | 0.6548          | 859460           | 0.2578          |
| 1001 to 2000              | 65             | 85645           | 0.3325          | 856450           | 0.2569          |
| 2001 to 3000              | 14             | 34093           | 0.0716          | 340930           | 0.1023          |
| 3001 to 4000              | 7              | 24993           | 0.0358          | 249930           | 0.0750          |
| 4001 to 5000              | 3              | 13577           | 0.0153          | 135770           | 0.0407          |
| 5001 to 10000             | 7              | 51371           | 0.0358          | 513710           | 0.1541          |
| Above 10000               | 27             | 32654501        | 0.1381          | 326545010        | 97.9635         |
| <b>Total</b>              | <b>19547</b>   | <b>33333334</b> | <b>100.0000</b> | <b>333333340</b> | <b>100.0000</b> |

**(ii) Shareholding Pattern as on 31<sup>st</sup> March 2026**

| Sl. | Category                                | No. of Shares   | % of Total Shares |
|-----|-----------------------------------------|-----------------|-------------------|
| 1   | Promoter & Promoter Group               | 30000000        | 90.00             |
|     | <b>Non-Promoter (Institutions)</b>      |                 |                   |
| 2   | Banks, Insurance Companies, NBFCs       | 1518520         | 4.555             |
|     | <b>Non-Promoter (Non-Institutions):</b> |                 |                   |
| 3   | Bodies Corporate                        | 1019617         | 3.058             |
| 4   | Resident Individual/HUF                 | 703132          | 2.110             |
| 5   | Non-Resident Individual                 | 16406           | 0.049             |
| 6   | Others                                  | 75659           | 0.226             |
|     | <b>Total</b>                            | <b>33333334</b> | <b>100.00</b>     |

**(iv) Top Five Equity Shareholders as on 31<sup>st</sup> March 2026**

| Sl. | Category                                              | No. of Shares | % of total Shares |
|-----|-------------------------------------------------------|---------------|-------------------|
| 1   | Mandal Vyapaar Private Limited (SPV nominated by SRA) | 300,00,000    | 90.0000           |
| 2   | Bank of India                                         | 2,99,665      | 0.8990            |
| 3   | Axis Bank                                             | 2,35,837      | 0.7075            |
| 4   | State Bank of India                                   | 2,16,718      | 0.6502            |
| 5   | Sahal Business Private Limited                        | 2,04,486      | 0.6135            |

**n. Convertible Instruments (outstanding)**

There was no convertible instrument outstanding as at the end of the Financial Year on 31<sup>st</sup> March 2026.

**o. Fund raising through Preferential Allotment etc.**

During the financial year 2024-25, the Company made preferential allotment of Equity Shares in terms of the Resolution Plan approved by the NCLT vide Order dated 19<sup>th</sup> December 2023 read with further Order 3<sup>rd</sup> December 2024. No further capital was raised during 2025-26.

**p. Commodity or Foreign Exchange Risk and Hedging**

During the Financial Year 2025-26, the Company had managed its foreign exchange risk and had not entered into any hedge contract against its exposures related to exports & imports and receivable balances & payable balances in connection thereto. Management monitors the commodities/raw materials whose prices are volatile and suitable steps are taken to minimize the risk.

**q. Credit Rating**

During the Financial Year ended 31<sup>st</sup> March 2026, the Company had no loans outstanding with banks & financial institutions. Hence, no credit rating had been obtained.

**r. Address for correspondence**

Effective 25<sup>th</sup> September 2025, the Company's Registered Office stands shifted from 4 Mangoe Lane, 7th Floor, Kolkata – 700 001 to Ecospace, Campus 2B 11F/12, New Town, Rajarhat, North 24 Parganas, Kolkata – 700160.

Correspondence from Shareholders on all matters should be addressed to:

**Maheshwari Datamatics Private Limited**

23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001

Contact person: Mr. S. Rajagopalan, Vice President

Telephone Nos.: 033 2243-5029/ 5809; Fax No: 033 2248-4787; E-mail: mdpldc@yahoo.com

**s. Information pursuant to Regulation 36(3) of SEBI Listing Regulations**

Information pursuant to Regulation 36(3) of SEBI Listing Regulations pertaining to particulars of Directors to be appointed or re-appointed at the forthcoming 63<sup>rd</sup> Annual General Meeting is enclosed as an annexure to the Notice convening the Annual General Meeting.

**t. CEO/CFO Certification**

The certificate as required under Regulation 17(8) of SEBI Listing Regulations, has been signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") is enclosed.

**u. Compliance Certificate of the Auditors**

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

For **McNally Bharat Engineering Company Limited**

**Partha Sarathi Bhattacharyya**

(DIN 00329479)

Chairman

12th August 2026  
Kolkata.



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

In accordance with Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, I hereby confirm that the Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Mission and Vision and also the Code of Conduct, as applicable to them for the Financial Year ended 31<sup>st</sup> March 2026.

For **McNally Bharat Engineering Company Limited**

**Rajendra Mohan Mathur**  
*Chief Executive Officer*

28<sup>th</sup> May 2026  
Kolkata



# Independent Auditors' Certificate on Corporate Governance

To

The Members,

**McNally Bharat Engineering Company Limited**

1. We have examined the compliance of conditions of Corporate Governance by McNally Bharat Engineering Company Limited ("the Company") for the year ended 31st March, 2026, as stipulated in regulations 17 to 27 and clauses (b) to (i) sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations" or "SEBI LODR").

## Managements' Responsibilities

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

## Auditors' Responsibilities

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2026.
4. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.
9. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

## Basis for Qualified Opinion

10. As per the Report on Corporate Governance of the Company for the year ended 31st March 2026, the requirement under Regulation 17 of SEBI LODR regarding composition of the Board of Directors could not be achieved until 22nd October 2025.
11. Delay in Submission of Financial Results under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter and year ended 31st December 2025, submitted on 20th February 2026 i.e., after the due date which was 14th February

## Independent Auditors' Certificate on Corporate Governance

2025. In respect of such delay the Stock Exchanges have levied SOP Fines for delayed period.

### Qualified Opinion

12. Based on the procedures performed by us, as referred to in paragraph 8 above, and according to the information and explanations given to us and the representations provided by the Management, we are aware of the opinion that the Company except for the matter stated in the basis for qualified opinion has complied with the conditions.

### Other matters and Restrictions on use

The Company was admitted to Corporate Insolvency Resolution Process (CIRP) under the Insolvency & Bankruptcy Code (the "IBC") vide Hon'ble National Company Law Tribunal (NCLT) Order dated 29th April 2022 pursuant to an application filed by the Bank of India, appointing, by the same Order, Mr. Anuj Jain, (Registration number IBBI/IPA-001/IP-P00142/2017-18/10306) as the Interim Resolution Professional. The Hon'ble NCLT vide subsequent Order dated 26th August 2022 appointed Mr. Ravi Sethia (Registration No. IBBI/IPA-001/IP-P01305/2018-2019/12052) as the Resolution Professional to manage the Company's affairs, business, and assets during the ongoing CIRP. Vide Order dated 19th December 2023 (the "Appointed Date"), NCLT approved the Resolution Plan of BTL EPC Limited (the "Successful Resolution Applicant"/ "SRA") for implementation within the "Effective Date" i.e., 17th February 2024. Subsequently, the NCLT vide Order dated 3rd December 2024 allowed extension of time for implementation of Resolution Plan within the revised "Effective Date" of 6th January 2025.

The Company received Notice imposing Standard Operating Procedure (SOP) Fines amounting to Rs 68.51 Lakhs (including GST) and Rs 68.76 Lakhs (including GST) from BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) respectively (collectively the "Stock Exchanges"), for non-compliance with the conditions of corporate governance up to the period ended 31st December 2025. The Waiver applications filed in this regard were considered by the Stock Exchanges and partial waiver granted by BSE and NSE on 24th December 2025 and 6th February 2026 respectively. The net amount of SOP Fines determined by BSE at Rs 11.69 Lakhs (including GST) was paid on even date. The total SOP Fine amount determined by NSE at Rs 16.37 Lakhs (including GST) was paid as Rs 10.94 Lakhs on 13th February 2026 and balance Rs 5.43 Lakhs on 19th February 2026.

No SOP Fines had been imposed for the quarter ended 31st March 2026 signifying that compliance with the corporate governance conditions by the Company on and from the beginning of the Quarter 4 of the financial year 2025-26 had since been regularised.

13. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
14. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of SEBI LODR, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **V. SINGHI & ASSOCIATES**

Chartered Accountants

Firm Registration No. 311017E

**Aniruddha Sengupta**

Membership No. 051371

Partner

UDIN: 26051371KZMUTL9163

Date: 12<sup>th</sup> August 2026

Place: Kolkata



## Certificate of **Non-Disqualification Of Directors**

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

To,

**The Members of**

**McNally Bharat Engineering Company Limited**

Ecospace Campus 2B 11F/12  
New Town Rajarhat North 24 Parganas  
Kolkata-700160, West Bengal

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **McNally Bharat Engineering Company Limited** having CIN: L45202WB1961PLC025181 and having registered office at Ecospace Campus 2B 11F/12, New Town Rajarhat North 24 Parganas Kolkata-700160, West Bengal (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers and further subject to the Notes as mentioned below, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or such other statutory authority:

| Sr. No. | Name of Director                 | DIN      | Date of appointment in Company |
|---------|----------------------------------|----------|--------------------------------|
| 1       | Mr. Partha Sarathi Bhattacharyya | 00329479 | 06.01.2025                     |
| 2       | Mr. Pradip Kumar Bishnoi         | 00732640 | 06.01.2025                     |
| 3       | Mr. Anil Kumar Jha               | 03590871 | 06.01.2025                     |
| 4       | Ms. Anuradha Gupta               | 06658142 | 14.02.2025                     |
| 5       | Ms. Poonam Singhania             | 11307969 | 01.10.2025                     |
| 6       | Mr. Mehar Chand Thakur           | 08648033 | 22.10.2025                     |
| 7       | Mr. Debidas Datta                | 00229856 | 01.12.2025                     |

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

### Note:

- The Company has obtained the approval of shareholders at the 62<sup>nd</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2025 in respect of appointment of following Independent Directors who were originally appointed by the Monitoring Committee at their meeting held on 6<sup>th</sup> January, 2025 in terms of Resolution Plan except Ms. Anuradha Gupta (DIN 06658142) who was appointed later by the newly constituted Board of Directors on 14<sup>th</sup> February, 2025:

- Mr. Partha Sarathi Bhattacharyya (DIN 00329479)
- Mr. Pradip Kumar Bishnoi (DIN 00732640)
- Mr. Anil Kumar Jha (DIN 03590871)

(iv) Ms. Anuradha Gupta (DIN 06658142)

2. During the year under review the Company has appointed the following Directors on the Company's Board by passing Special Resolutions through Postal Ballot on 1st December, 2025:

- (i) Ms. Poonam Singhanian (DIN: 11307969) as a Non-executive Non-independent Director with effect from 1st October 2025.
- (ii) Mr. Debidas Datta (DIN: 0229856) as an Independent Director for a period of 5 (five) consecutive years with effect from 1st December 2025 till 30th November 2030.
- (iii) Mr. Mehar Chand Thakur (DIN 08648033) as an Independent Director for a period of 5 (five) consecutive years with effect from 22nd October 2025 till 21st October 2030.

**PRAKASH KUMAR SHAW**

*Practicing Company Secretary*

ACS – 32895 / CP No. 16239

UDIN:A032895H001082042

Place: Kolkata

Date: 12<sup>th</sup> August, 2026



# Secretarial Audit Report

## SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2026

[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]

To

**The Members,**

**McNally Bharat Engineering Company Limited**

Ecospace Campus 2B 11F/12hh

New Town Rajarhat North 24 Parganas

Kolkata-700160, West Bengal

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **McNally Bharat Engineering Company Limited** having its Registered Office at Ecospace Campus 2B 11F/12, New Town Rajarhat North 24 Parganas Kolkata-700160, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

### Auditors' Responsibility

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

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

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of the Board and its Committees, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter. Wherever required I have obtained the management representation about the compliance of the laws, rules and regulations and occurrence of events, etc.

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

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

**I report that** I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March 2026 according to the provisions of the following legislations including amendments thereof, as applicable:

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

## Secretarial **Audit Report**

- (ii) The Secretarial Standards 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 thereunder;
- (v) The Foreign Exchange Management Act, 1999 and the rules and regulation made thereunder 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 (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;

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

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

to the extent of its applicability to the Company during the financial year ended 31<sup>st</sup> March 2026 and my examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

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

### **Matters of Emphasis:**

1. Delay in Submission of Financial Results under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter and year ended 31<sup>st</sup> December 2025, submitted on 20<sup>th</sup> February 2026 *i.e.* after the due date which was 15<sup>th</sup> February 2025. In respect of such delay the Stock Exchanges have levied SOP Fines for delayed period.
2. The total strength of the Board of Directors of the Company was below the minimum strength of six directors as mandated under Regulation 17(1)(C) till 21<sup>st</sup> October 2025. In respect of such default the Stock Exchanges have levied SOP Fines for the quarters ended 30<sup>th</sup> June 2025, 30<sup>th</sup> September 2025 and 31<sup>st</sup> December 2025.

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

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations,



## Secretarial **Audit Report**

2021;

- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

### **I further report that:**

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

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

In terms of the Approved Resolution Plan, a Monitoring Committee ("MC") was constituted on 28<sup>th</sup> December 2023 with the said Mr. Ravi Sethia as its Chairman, and equal representations from RA and CoC. However, as the Resolution Plan could not be implemented within the "Effective date" as mentioned in the NCLT Order dated 19<sup>th</sup> December 2023 i.e a date no later than 60(sixty) days from the Appointed Date, the Hon'ble NCLT vide further Order dated 3<sup>rd</sup> December 2024 had allowed extension of time till 6<sup>th</sup> January 2025 for the successful implementation of the Resolution Plan and the "Effective date" was accordingly revised to 6<sup>th</sup> January 2025.

The RA paid the first tranche of the purchase consideration in terms of the NCLT Order dated 3<sup>rd</sup> December 2024, however, the second and third tranches, the due dates in respect of which were 28<sup>th</sup> February 2025 and 26<sup>th</sup> March 2025 respectively, remained unpaid. The RA, vide Application No. 1908134/ 01611/ 2025 dated 22<sup>nd</sup> April 2025 filed with NCLT, sought further extension to fulfill its payment obligations under the Resolution Plan.

Thereafter, the SRA paid the amount of 2<sup>nd</sup> and 3<sup>rd</sup> tranches along with interest thereon on 18<sup>th</sup> August 2025 and 17<sup>th</sup> October 2025. The Hon'ble NCLT, Kolkata Bench, vide its Order dated 23<sup>rd</sup> September 2025 disposed of the application with respect to CIRP and imposed an additional cost of Rs. 1 Crore for delay in implementation of the Resolution Plan which has been deposited by the Company into the Prime Minister's National Relief Fund as per the Order.

- (b) In terms of the Approved Resolution Plan, the Monitoring Committee and the Company's Board of Directors at their respective meeting held on 22<sup>nd</sup> February, 2025, approved the restructuring of entire share capital of the Company by cancellation of entire share capital (i.e 6,93,69,046 Equity Shares) of erstwhile Promoters, reduction of 14,22,01,711 Equity Shares to 16,66,667 Equity Shares of "Public" category shareholders and issue of 3,16,66,667 fresh Equity Shares to Resolution Applicant and Financial Creditors. Pursuant to Clause 5.5.6 of the Resolution Plan, the Company was also required to pay Rs. 0.01 per share to all the erstwhile shareholders as a goodwill gesture and the amount in respect of such payment has been transferred to a separate escrow account for transferring direct to the concerned shareholders. Further, the entire 975,000 Non-Convertible Redeemable Preference Shares of the Company have been extinguished pursuant to the Resolution Plan.

The Company has received Listing Approval for issue of 3,33,33,334 Equity Shares pursuant to Resolution Plan from BSE Limited (BSE) on 16.03.2026 and from the National Stock Exchange of India the final and complete approval has been received on 24.06.2026.

Upon receipt of Listing Approval and confirmation for credit of shares by the depositories, the Company has duly submitted the application seeking trading permission to BSE on 02.07.2026 and to NSE on 03.07.2026 which is under process.

- (c) During the year under review the Company has passed the Special Resolutions through Postal Ballot on 1<sup>st</sup> December 2025 for appointment of following directors on the Company's Board:

## Secretarial **Audit Report**

- (i) Ms. Poonam Singhania (DIN: 11307969) as a Non-executive Non-independent Director with effect from 1st October 2025.
- (ii) Mr. Debidas Datta (DIN: 0229856) as an Independent Director for a period of 5 (five) consecutive years with effect from 1st December 2025 till 30th November 2030.
- (iii) Mr. Mehar Chand Thakur (DIN 08648033) as an Independent Director for a period of 5 (five) consecutive years with effect from 22nd October 2025 till 21st October 2030.
- (d) On 11th December 2025, the Company received a Notice from Employees Provident Fund Organization, Ranchi, relating to Section 14B & 7Q of the EPF & MP Act, 1952 in which the Company was directed to deposit the assessed amount of Rs. 9.60 crores.

In the above matter the Company has received further Order dated 14th January 2026 from the Regional Provident Fund Commissioner-I, Regional Office, Ranchi ("EPF Authority"), with respect to direction issued under section 8F of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("the Act") for the recovery of dues/damages under section 7Q of the Act amounting to Rs 3,95,51,696 for the period from 17.02.2024 with respect to the Company's establishment situated at Kumardhubi, Dhanbad – 828203, Ranchi.

The Demand Notice from EPF Authority received earlier has been challenged before the Central Government Industrial Tribunal (CGIT), Dhanbad vide case no. EPFA 20/2025, pursuant to which a writ petition has been filed at the appropriate forum and the matter is sub judice.

- (e) On 5th August 2025, it came to the knowledge of the Company that the Regulatory authority in Singapore had struck-off / deregistered MBE Mineral Technologies Pte Limited, the wholly owned subsidiary of the Company registered in Singapore.

Further the value of Company's investment in other foreign subsidiaries namely MBE Minerals Zambia Limited (Zambia), McNally Bharat Engineering (SA) Proprietary Limited (South Africa), and the above struck-off Company MBE Mineral Technologies Pte Limited (Singapore) and a foreign joint venture EMC Contracting Company LLC, were fully impaired and written off in the books of accounts as these entities were not part of the Approved Resolution Plan.

- (f) In terms of clause 5.5.2.2 of the Resolution Plan read with Addendum, 16,66,667 Equity Shares representing 5% of total share capital of the Company had been issued to Financial Creditors with a put option to buy back by the SRA for a total consideration of 30 Crore upon expiry of 2 years from the date of allotment. The said Financial Creditors shall be at a liberty to sell their respective shares of the offered equity in the open market at any point of time after such allotment.

An application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 was filed by the Company (the "Applicant") vide Application No. IA (IBC) No. 294 /KB/2026 in CP (IB) No. 891/KB/2020, in respect of same the Hon'ble NCLT vide Order dated 10th June 2026 dismissed and disposed of the application, directing the Applicant/SRA to mandatorily comply with Clause 5.5.2.2 of the Resolution Plan forthwith and the Respondent Banks to remove NPA status and provide NOC to the Applicant within a week's time thereof.

**PRAKASH KUMAR SHAW**

*Practicing Company Secretary*

ACS – 32895 / CP No. 1623

PRCN: 3022/2023

UDIN:A032895H001081987

Date: 12<sup>th</sup> August, 2026

Place: Kolkata



# Secretarial **Audit Report**

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

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

### Reply to Matters of Emphasis

| Sl. No. | Management's Reply                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b><i>Delay in Submission of Financial Results under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter and year ended 31st December 2025, submitted on 20th February 2026 i.e after the due date which was 15th February 2025. In respect of such delay the Stock Exchanges have levied SOP Fines for delayed period.</i></b></p> <p><b>Explanation:</b> Delay in submission of Results was due to an Income Tax departmental procedure conducted by the ADIT (Inv), Kolkata in the office premises of the Company due to which the Board Meeting had to be deferred from 12.02.2026 to 20.02.2026 thereby delaying the submission of Financial Results for the quarter ended 31.12.2025 beyond 45 days from the said quarter-end.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 3.      | <p><b><i>The total strength of the Board of Directors of the Company was below the minimum strength of six directors as mandated under Regulation 17(1)(C). In respect of such default the Stock Exchanges have levied SOP Fines for the quarter ended 30th June 2025, 30th September 2025 and 31st December 2025.</i></b></p> <p><b>Explanation:</b> The Company was admitted to Corporate Insolvency Resolution Process ('CIRP') vide an Order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) on 29.04.2022 in Company Application No. C.P. (IB) No. 891 / KB/ 2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016 and pursuant to Order dated 19.12.2023 read with Extension Order dated 03.12.2024, the Hon'ble NCLT approved the Resolution Plan submitted by BTL EPC Limited (the "Successful Resolution Applicant / SRA") as approved by the Committee of Creditors (the "CoC" ) for revival of the Company in accordance with the relevant provisions of the Insolvency Code and revised the "Effective Date" for Resolution Plan implementation from 17.02.2024 to 06.01.2025.</p> <p>Accordingly, the Company re-constituted the Board with the appointment of new Directors effective 06.01.2025. At its first meeting held on 14.01.2025 the reconstituted Board of Directors formed all its mandatory Committees as required under the SEBI (LODR) Regulations with effect from 14.01.2025. Further, a woman director was appointed with effect from 14.02.2025.</p> <p>Further, the Company appointed three (3) more Directors on Company's Board by passing Special Resolutions via Postal Ballot on 1<sup>st</sup> December 2025.</p> <p>As on 31<sup>st</sup> March 2026, the Company had the following 7 (seven) Directors on its Board:</p> <ul style="list-style-type: none"> <li>(i) Partha Sarathi Bhattacharyya (DIN 00329479), Independent Director</li> <li>(ii) Pradip Kumar Bishnoi (DIN 00732640), Independent Director</li> <li>(iii) Anil Kumar Jha (DIN 03590871), Independent Director</li> <li>(iv) Anuradha Gupta (DIN 06658142), Independent Director</li> <li>(v) Mehar Chand Thakur (DIN 08648033), Independent Director</li> <li>(vi) Debidas Datta (DIN 00229856), Independent Director</li> <li>(vii) Poonam Singhania (DIN 11307969), Non - Independent, Non-Executive Director</li> </ul> |

## Certificate under SEBI LODR Regulation 17(8)

28<sup>th</sup> May 2026

The Chairman,

Board of Directors

**McNally Bharat Engineering Company Limited**

Regd Office: Ecospace, Newtown, Rajarhat

Kolkata – 700 160

Dear Sir,

### **Compliance Certificate pursuant to Regulation 17(8) of SEBI (Listing Obligations Disclosure Requirements, 2016 (“Listing Regulations”))**

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

We have reviewed the Standalone and Consolidated Financial Statements and the Cash Flow Statements for the Financial Year 2025-26 and that to the best of our knowledge and belief:

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

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

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

We have indicated to the Auditors and the Audit Committee:

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

Yours faithfully,

For **McNally Bharat Engineering Company Limited**

**Rajendra Mohan Mathur**

*Chief Executive Officer*

**Rupayan Majumdar**

*Chief Financial Officer*



# STANDALONE FINANCIAL STATEMENTS

## Independent Auditors' Report

To

The Members of

**McNally Bharat Engineering Company Limited**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the accompanying Standalone Financial Statements of McNally Bharat Engineering Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matter stated in the para (a) of the Emphasis of Matters 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 also give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, its profit including Other Comprehensive Income, its changes in equity and Statement of cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 Ethics issued by the Institute of Chartered Accountants of India ("the 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 audit opinion.

### Emphasis of Matters

#### a) Accounting Treatment Pursuant to Implementation of Approved Resolution Plan

Note 41 and 42 of the standalone financial statements that describes the accounting treatment adopted by the Company consequent to the implementation of the Resolution Plan, duly approved under the Corporate Insolvency Resolution Process by the Hon'ble National Company Law Tribunal, Kolkata, vide its order dated 19th December 2023 (the "Order").

Pursuant to the said Order, the share capital of the Company was reduced, and certain financial as well as operational liabilities were extinguished in accordance with the terms of the approved Resolution Plan, more fully described in said note. The resultant balances have been credited to the Capital Reserve, and/or Retained Earnings.

The above accounting treatment has been given effect to in accordance with and pursuant to the directions of the Hon'ble NCLT, thereby overriding the requirements of the applicable Ind AS.

#### b) Current Assets and Current Liabilities

Note 46 of the Standalone Financial Statements, describing the Trade Receivables, Financial Assets, Other Financial Assets, Other Current Assets, Trade Payables, Advance to supplier and Advances from Customers are subject to confirmation and under reconciliation with the respective parties. These balances are also subject to the outcome of pending arbitrations, claim settlements, and any consequential adjustments arising therefrom, if any. Furthermore, the Management's review process in this regard is ongoing, the impact of which, if any has not been ascertained and will be accounted for in due course.



## Independent Auditors' Report (Contd.)

Our opinion is not modified in respect of the aforesaid matters.

### Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Auditors' Response to Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | <p><b>Estimated Cost to complete the Project/ Revenue Recognition:</b><br/>(Refer Note 1(d) to the Standalone Financial Statements)</p> <p>The Company recognizes revenue under the percentage of completion method as specified under Indian Accounting Standard 115 "Revenue from Contract with Customers".</p> <p>Recognition of revenue requires estimation of total contract cost which comprises of the actual cost incurred till date and estimated cost further to be incurred to complete the projects. Estimation of the cost to complete involves the exercise of significant judgment by management including assessment of technical data and hence identified as a Key Audit Matter.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Our audit approach was a combination of test of internal controls and substantive procedures which includes the following:</p> <ol style="list-style-type: none"> <li>1. Tested the design, implementation, and operating effectiveness of the controls surrounding the determination and approval of estimated cost.</li> <li>2. Verified the contracts with customers on a check basis including the actual cost incurred and terms and conditions related to the variation of the cost</li> <li>3. Discussed with the project management teams for certain selected projects to assess the reasonableness of the estimated cost to be incurred for completing the respective projects.</li> <li>4. Obtained and relied on the Management Certificate for supporting the accuracy of the estimate of the total cost of the project for selected contracts on test check basis.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2       | <p><b>Provision for Current Tax and Deferred Tax</b><br/>(Refer Note 7 to the Standalone Financial Statements)</p> <p>The Company is subject to complexities with respect to various tax positions on deductibility of transactions and tax incentives / exemptions, on accounting treatment for the effects of the Resolution Plan. Judgment is required in assessing the range of possible outcomes for some of these tax matters. Management makes an assessment to determine the outcome of these uncertain tax positions and decides on allowability thereof.</p> <p>Further, the recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act, 1961 and other applicable tax laws and rules including application of ICDS and financial reporting in accordance with Ind AS. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of Current tax and Deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> | <p>We have performed the following procedures:-</p> <ol style="list-style-type: none"> <li>1. Verified the underlying documents related to income-tax litigations and other correspondences with the authorities,</li> <li>2. Assessment of third-party opinions and the use of past experience, where available, with the tax authorities in the respective jurisdiction,</li> <li>3. Assessment of underlying process with respect to measurement of deferred tax and re-performance of calculations,</li> <li>4. Developed an understanding of the approved Resolution Plan and accounting thereof which can have effect on current tax and deferred tax,</li> <li>5. Involved direct tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management for uncertain tax positions,</li> <li>6. Assessment of the items leading to recognition of deferred tax by determining whether,</li> <li>7. The method of measurement used is appropriate in the circumstances; and</li> <li>8. The method of measurement and assumptions used by management are reasonable in the light of the Ind AS principles,</li> <li>9. Further, we assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements</li> </ol> |

## Independent Auditors' Report (Contd.)

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | <p><b>Impairment of Financial and Non-Financial Assets</b></p> <p>(Refer Note 3 and 42 to the Standalone Financial Statements)</p> <p>Pursuant to transfer of control, the management undertook a comprehensive assessment of certain long-outstanding financial and non-financial balances based on the facts and circumstances available as at the reporting date. Based on the outcome of this assessment, the Company recognised provisions against balances where significant uncertainty exists regarding their recoverability and wrote off certain balances considered irrecoverable.</p> <p>Such assessment involved significant management judgement, the availability of documentation, the status of underlying claims, and other relevant facts and circumstances.</p> <p>Considering the significance of the amounts involved, the degree of management judgement, and the impact on the financial statements, the matter has been identified as a Key Audit Matter.</p> | <p>Our audit procedures included and were not limited to the following:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the process adopted by the management for assessing long-outstanding balances, including the significant assumptions and judgements applied, supporting documentation, and ageing analysis</li> <li>2. Evaluated the reasonableness of the actions undertaken by the management to recover the outstanding balances,</li> <li>3. Assessed the appropriateness of the provisions and write-offs recognised by the Company in respect of the outstanding balances, having regard to the underlying facts, circumstances, and available documentation.</li> <li>4. Assessed the presentation and disclosures relating to the provisions and write-offs in the financial statements are adequate and in compliance with the applicable requirements of Ind AS and Schedule III.</li> </ol> |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility & Sustainability Report, Corporate Governance and Shareholder's 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

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



## Independent Auditors' Report *(Contd.)*

In preparing the Standalone Financial Statements, Management and Board of Directors are 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 Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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 the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

## Independent Auditors' Report *(Contd.)*

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 year ended 31st March, 2026 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

- a) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.
- b) As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statement.
  - d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors of the Company, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses Adverse Opinion on the adequacy and operating effectiveness of internal financial control with reference to the financial statements.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the Company has obtained requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act and the rules thereunder.
  - 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. Company does not have any pending litigations to disclose in the Standalone Financial Statements
    - ii. the Company has made provision as required under the applicable law or accounting standards for material foreseeable losses if any on long term contract including derivative contracts; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



## Independent Auditors' Report (Contd.)

- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) or (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the financial year.
- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail in the software, except that the audit log is not maintained in case of modification by certain users with specific access and that the audit trail features has not been enabled at the database level to log any direct data changes. During the course of performing our procedures, other than the aforementioned instances where the question of our commenting on the audit trail feature being tampered with did not arise, we did not come across any instances of the audit trail feature being tampered with. Further, the audit trail has been preserved by the Company as per the Statutory requirements for record retention

**For V. Singhi & Associates**

*Chartered Accountants*

Firm Registration No. 311017E

**(Aniruddha Sengupta)**

*Partner*

UDIN: 26051371THCXLQ7327

Place: Kolkata

Membership No. 051371

## Annexure A to the Independent Auditor's Report

(Referred to in Paragraph-1 under 'Report on Other Legal and Regulatory Requirements' section of even date to the members)

- (i) (a) (A) The Company has manually maintained records showing full particulars, including quantitative details and situation of Property, Plant and Equipments and relevant details of right-of-use assets.  
(B) The Company has manually maintained records showing full particulars of intangible assets.
- (b) The Company has a programme of physical verification of Property Plant and Equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, physical verification for a portion of assets has been carried out during the year and material discrepancies which were noticed been properly dealt with in the books of account.
- (c) The Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use-assets) and intangible assets during the year.
- (e) As per the information and explanation given to us and as represented by the management no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.
- (ii) (a) The inventories (excluding stocks with third parties), have been physically verified during the year by the Management at reasonable intervals and no discrepancies of 10% or more in aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by them. Keeping in view, the nature of operations, in our opinion, the procedure for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- (b) No working capital limit in excess of Rs 5 crore has been sanctioned or renewed at any point of time during the year. In respect of limits sanctioned in earlier years, the Company has paid and/or extinguished the amount outstanding as per the order of NCLT. Hence, the Company is not required to file any quarterly returns with the banks.
- (iii) According to the information and explanations given to us and based on the audit procedures performed by us, during the year the company has not made investments, provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLP or any other parties.
  - (a) the company has not provided any loan, guarantee, or security to any entity during the year but there is a outstanding loan amounting to Rs 1,744.38 Lakhs as at the balance Sheet date.
  - (b) the terms and conditions of the outstanding loans granted in earlier years by the company amounting to Rs. 1,744.38 lakhs are prima facie prejudicial to the company's interest. In view of the same, the Company, during the year, has made provision against the outstanding loan amount.
  - (c) We are unable to comment on the regularity of repayment of principal and payment of interest for the said loan as there is no schedule for repayment of principal and payment of interest in respect of said loan.
  - (d) We are unable to comment on the amount overdue for more than ninety days since the loan outstanding as at 31st March 2026 is repayable on demand.
  - (e) there is no loan or advance in the nature of loans granted that has fallen due during the year and has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.



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

- (f) The Company had granted loans or advances in the nature of loans amounting to Rs. 1,744.38 lakhs in the earlier years which is repayable on demand and for which no specific terms or period of repayment had been stipulated. No loan is outstanding from promoters or related parties as defined under clause (76) of Section 2 of the Companies Act, 2013.
- (iv) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company, during the year, has neither granted any loans nor provided any guarantee or security as specified in Section 185 or Section 186 of the Act. Accordingly, reporting under clause 3(iv) is not applicable.
- (v) The Company has neither accepted any deposit nor accepted any amount which are deemed to be deposits from the public during the year within the meaning of directives issued by the Reserve Bank of India under sections 73 to 76 of the Act and the rules framed there under to the extent notified. Accordingly, reporting under clause 3(v) is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the same as maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether the same are accurate or complete.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the company in respect of statutory dues:
- (a) all the undisputed statutory dues as claimed and payable have been settled and/or paid as per the NCLT Order dated 19th December 2023 and no undisputed amount is payable in respect of the same, which were in arrears as on 31st March 2026 for a period of more than 6 months. Further, the Company is generally regular in depositing the undisputed statutory dues accrued during the year with the appropriate authorities though there has been a slight delay in a few cases.
- (b) there are no disputed statutory dues of Goods and Services Tax, Provident Fund, Income Tax, Duty of Customs, Cess and other material statutory dues which have not been deposited as all such dues have been paid and/or waived off by the NCLT order dated 19th December 2023.
- (viii) Based on the information and explanations provided to us and the records examined by us, as at the date of this report, the Company has not received any assessment order, demand, or other communication requiring to disclose or surrender any previously unrecorded income. Accordingly, reporting under clause 3(viii) is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all overdue loans, borrowings and interest thereon to the lenders have been settled and/or paid as per the Approved Resolution Plan vide NCLT Order dated 19th December 2023. As such, we are of the opinion that the Company has not defaulted in the repayment of loans as well as in the payment of interest thereon to the lenders during the year.
- (b) According to the information, explanation and representation given to us by the management, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company has taken term loan from Mandal Vyapar Private. Ltd amounting to Rs. 3,778.17 during the year and loan is utilized for the purpose for which it is taken.
- (d) On an overall examination of the standalone financial statements, the Company has not raised any funds on short-term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint ventures. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.

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

- (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, reporting under 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, reporting under clause 3(x)(a) is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records, 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, reporting under clause 3(x)(b) is not applicable.
- (xi) (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, no case of fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) (a) to (c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the books and records, the Company has complied with the provisions of Sections 177 and 188 of the Act, where applicable for transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required under the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us and based on the examination of records we considered necessary, the company has an internal audit system commensurate with the size and nature of its business.
- (b) Internal audit was conducted by the company during the financial year 2025-26 and we have considered the report issued by the internal auditors during the year till the date of our report, for the period under audit in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with its directors during the year. Accordingly, reporting under Clause 3(xv) 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. Accordingly reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year. Accordingly reporting under clause 3(xvi)(b) of the order is not applicable.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its Group. Accordingly reporting under clause 3(xvi)(d) of the order is not applicable.
- (xvii) Based on the examination of records, the Company has incurred cash losses of Rs 43,767.91 Lakhs (excluding Exceptional Items) in the current financial year and Rs 1,71,311.96 Lakhs in the immediately preceding financial year.



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

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

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due, within a period of one year from the Balance Sheet date.

We 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 our examination of records of the Company and information and explanations given to us, the requirement of Section 135 of the Act is not applicable to the company. Accordingly, reporting under clause 3(xx) (a) and (xx) (b) are not applicable.

**For V. Singhi & Associates**

*Chartered Accountants*

Firm Registration No. 311017E

**(Aniruddha Sengupta)**

*Partner*

Membership No. 051371

UDIN: 26051371THCXLQ7327

Place: Kolkata

Date: 28th May, 2026

## Annexure B to the Independent Auditor's Report

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

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

In connection with our audit of the Standalone Financial Statements of McNally Bharat Engineering Company Limited ("the Company") as of and for the year ended 31st March, 2026, we have audited the internal financial controls with reference to Standalone Financial Statements of the Company.

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

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;



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

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

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

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

### Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the company's internal financial control over financial reporting with reference to financial statements as at 31st March, 2026:

- (i) the internal financial controls did not incorporate the risk assessment process for identifying and evaluating the risks of material misstatement relevant to the financial reporting. However, the Company was in the process of strengthening and formalising its internal financial control framework.
- (ii) the Company did not have an adequately designed and operating system of internal financial controls to timely obtain balance confirmations and perform periodic reconciliations in respect of significant balances, including trade receivables, trade payables, provisioning and payment thereto of interest in accordance with the MSME Development Act, 2006, retention money, security deposits receivable, advances paid to/received from suppliers/ customers, loans given, and monitoring renewal of bank guarantees obtained from vendors.
- (iii) although company is regular in filing its statutory returns, but it does not have an effective process in place to facilitate periodic reconciliation of statutory balances including Goods and Services Tax balances with the respective returns and portal ledgers.
- (iv) the Company is in the process of establishing an integrated system for recording and monitoring Property, Plant and Equipment ("PPE") within its ERP. However, as at the date of this report, the Company continues to maintain the FAR outside the ERP through manual records and it has been updated during the year after comprehensive physical verification. The absence of an integrated FAR, together with the reliance on manual processes, increases the risk of inaccuracies and omissions in recording additions, disposals, transfers, depreciation, location details and other changes relating to PPE.

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

### Adverse Opinion

In our opinion as well as to the best of our information and according to the explanation given to us, because of the effects of the material weakness as described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as at 31st March 2026 based on the criteria for internal financial control over financial reporting established by the Company considering

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

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the company for the year ended 31st March 2026, and these material weaknesses does not affect our opinion on the said financial statements of the company.

**For V. Singhi & Associates**

*Chartered Accountants*

Firm Registration No. 311017E

**(Aniruddha Sengupta)**

*Partner*

Membership No. 051371

UDIN: 26051371THCXLQ7327

Place: Kolkata

Date: 28th May, 2026



# Standalone Balance Sheet as at 31st March, 2026

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

| Particulars                                                                        | Notes | As at<br>31st March, 2026 | As<br>at 31st March, 2025 |
|------------------------------------------------------------------------------------|-------|---------------------------|---------------------------|
| <b>ASSETS</b>                                                                      |       |                           |                           |
| <b>Non-current assets</b>                                                          |       |                           |                           |
| Property, Plant and Equipment                                                      | 3     | 439.33                    | 1,211.42                  |
| Right to use Assets                                                                | 3     | 201.10                    | 249.16                    |
| Capital work-in-progress                                                           | 3     | -                         | -                         |
| Other Intangible assets                                                            | 4     | 4.50                      | 57.21                     |
| Financial Assets                                                                   |       |                           |                           |
| i. Investments                                                                     | 5     | 141.20                    | 140.74                    |
| ii. Other Financial Assets                                                         | 6(d)  | 12.04                     | 13.56                     |
| Deferred tax assets (net)                                                          | 7     | 51,706.60                 | 51,706.60                 |
| <b>Total Non-current Assets</b>                                                    |       | <b>52,504.77</b>          | <b>53,378.69</b>          |
| <b>Current assets</b>                                                              |       |                           |                           |
| Inventories                                                                        | 8     | -                         | 22.38                     |
| Financial Assets                                                                   |       |                           |                           |
| i. Trade Receivables                                                               | 6(a)  | 16,575.46                 | 33,872.48                 |
| ii. Cash and cash equivalents                                                      | 6(b)  | 355.90                    | 175.51                    |
| iii. Bank balances other than (ii) above                                           | 6(b)  | 212.10                    | 1,882.09                  |
| iv. Loans                                                                          | 6(c)  | -                         | 1,744.38                  |
| v. Other financial assets                                                          | 6(d)  | 4,957.44                  | 9,882.25                  |
| Current Tax Assets (net)                                                           | 9     | 141.51                    | 128.72                    |
| Other current assets                                                               | 10    | 7,560.10                  | 15,766.31                 |
| <b>Total Current Assets</b>                                                        |       | <b>29,802.51</b>          | <b>63,474.12</b>          |
| <b>Total Assets</b>                                                                |       | <b>82,307.28</b>          | <b>1,16,852.81</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                      |       |                           |                           |
| <b>Equity</b>                                                                      |       |                           |                           |
| Equity share capital                                                               | 11(a) | 3,333.33                  | 3,333.33                  |
| Other equity                                                                       | 11(b) | 53,736.11                 | (5,92,560.71)             |
| <b>Total Equity</b>                                                                |       | <b>57,069.44</b>          | <b>(5,89,227.38)</b>      |
| <b>LIABILITIES</b>                                                                 |       |                           |                           |
| <b>Non-current liabilities</b>                                                     |       |                           |                           |
| Financial Liabilities                                                              |       |                           |                           |
| i. Lease Liabilities                                                               | 12(b) | 110.67                    | 176.69                    |
| Provisions                                                                         | 14    | 156.48                    | 162.24                    |
| <b>Total Non-current Liabilities</b>                                               |       | <b>267.15</b>             | <b>338.93</b>             |
| <b>Current liabilities</b>                                                         |       |                           |                           |
| <b>Financial Liabilities</b>                                                       |       |                           |                           |
| i. Borrowings                                                                      | 12(a) | 9,483.95                  | 3,09,423.86               |
| ii. Lease Liabilities                                                              | 12(b) | 114.83                    | 86.13                     |
| iii. Trade payables                                                                | 12(d) |                           |                           |
| Total outstanding dues of Micro, Small and Medium Enterprises                      |       | 542.83                    | 186.38                    |
| Total outstanding dues of creditors other than Micro, Small and Medium Enterprises |       | 2,264.67                  | 23,301.81                 |
| iv. Other financial liabilities                                                    | 12(c) | 9,348.29                  | 3,69,551.23               |
| Other current liabilities                                                          | 13    | 3,095.61                  | 3,040.78                  |
| <b>Provisions</b>                                                                  | 14    | <b>120.51</b>             | <b>151.07</b>             |
| <b>Total Current Liabilities</b>                                                   |       | <b>24,970.69</b>          | <b>7,05,741.26</b>        |
| <b>Total Equity and Liabilities</b>                                                |       | <b>82,307.28</b>          | <b>1,16,852.81</b>        |

## Material Accounting Policies, Judgement, Estimates and Assumptions

1-2

The above standalone balance sheet should be read in conjunction with the accompanying note nos. 1 to 51.

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**For McNally Bharat Engineering Company Limited****(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

**Place:** Kolkata**Date :** 28th May, 2026**(Rajendra Mohan Mathur)**

Chief Executive Officer

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary



## Standalone Statement of Profit & Loss for the year ended 31st March, 2026

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

| Particulars                                                    | Notes | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|----------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| <b>Revenue from operations</b>                                 | 15    | 7,351.06                       | 10,492.36                      |
| Other income                                                   | 16    | 116.04                         | 90.81                          |
| <b>Total income</b>                                            |       | <b>7,467.10</b>                | <b>10,583.17</b>               |
| <b>Expenses</b>                                                |       |                                |                                |
| Cost of Materials Consumed                                     | 17    | 1,640.08                       | 1,420.81                       |
| Outsourcing Expenses to Job workers                            | -     | 5,558.27                       | 6,694.58                       |
| Employee Benefit Expense                                       | 18    | 2,334.90                       | 2,511.36                       |
| Finance Costs                                                  | 19    | 22,242.91                      | 84,850.37                      |
| Depreciation and Amortisation expense                          | 20    | 247.09                         | 296.61                         |
| Other Expenses                                                 | 21    | 19,589.50                      | 86,184.34                      |
| <b>Total expenses</b>                                          |       | <b>51,612.75</b>               | <b>1,81,958.07</b>             |
| <b>Profit before exceptional items</b>                         |       | <b>(44,145.65)</b>             | <b>(1,71,374.90)</b>           |
| Exceptional Income/(Loss) (Refer Note 22)                      | 22    | 3,89,143.73                    | (233.67)                       |
| <b>Profit / (Loss) before tax</b>                              |       | <b>3,44,998.08</b>             | <b>(1,71,608.57)</b>           |
| <b>Income tax expense</b>                                      | 23    |                                |                                |
| - Current tax                                                  |       | -                              | -                              |
| - Income Tax for Earlier years                                 |       | (221.65)                       | -                              |
| - Deferred tax                                                 |       | -                              | -                              |
| <b>Total Tax Expense</b>                                       |       | <b>(221.65)</b>                | <b>-</b>                       |
| <b>Profit / (Loss) for the year</b>                            |       | <b>3,45,219.73</b>             | <b>(1,71,608.57)</b>           |
| <b>Other Comprehensive Income</b>                              |       |                                |                                |
| Items that will not be reclassified to profit or loss:         |       |                                |                                |
| Remeasurements of post-employment benefit plans (net of taxes) |       | (61.50)                        | 39.87                          |
| <b>Other Comprehensive Income for the year</b>                 |       | <b>(61.50)</b>                 | <b>39.87</b>                   |
| <b>Total Comprehensive Income for the year</b>                 |       | <b>3,45,158.23</b>             | <b>(1,71,568.70)</b>           |
| <b>Earnings Per Share</b>                                      | 34    |                                |                                |
| Basic Earnings Per Share (Face value of INR 10 each)           |       | 1,035.66                       | (88.69)                        |
| Diluted Earnings Per Share (Face value of INR 10 each)         |       | 1,035.66                       | (88.69)                        |

Material Accounting Policies, Judgement, Estimates and Assumptions 1-2

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying note nos. 1 to 51

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**For McNally Bharat Engineering Company Limited****(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

**Place:** Kolkata**Date :** 28th May, 2026**(Rajendra Mohan Mathur)**

Chief Executive Officer

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary



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

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

| Particulars                                                                                  | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|----------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Cash flow from operating activities</b>                                                   |                                |                                |
| <b>Profit/(Loss) before income tax</b>                                                       | <b>3,44,998.08</b>             | <b>(1,71,608.57)</b>           |
| <b>Adjustments for:</b>                                                                      |                                |                                |
| Exceptional items                                                                            | (3,89,143.73)                  | 233.67                         |
| Depreciation Expenses                                                                        | 247.09                         | 296.61                         |
| Finance Costs                                                                                | 22,242.91                      | 84,850.37                      |
| Interest Income                                                                              | (1.01)                         | (85.21)                        |
| Provision for Slow moving Stock                                                              | 23.45                          | -                              |
| Expected credit loss provided for/(written back)                                             | (7,436.08)                     | (11,091.18)                    |
| Bad debts written off                                                                        | 42,276.36                      | 2,481.67                       |
| Provision for Bad & Doubtful Debts                                                           | (26,430.08)                    | 45,972.37                      |
| Provision for Loans and Advances                                                             | 1,744.38                       | -                              |
| Provision for doubtful security deposits                                                     | 658.68                         | -                              |
| Provision for Contingency                                                                    | 2,000.00                       | -                              |
| Provision for Future Foreseeable Losses in Construction Contracts                            | (6,198.58)                     | 3,239.20                       |
| Loss of Property, Plant and Equipment                                                        | 679.97                         | -                              |
| Capital Work in Progress written off                                                         | -                              | 462.62                         |
| Provision for Advance to Supplier                                                            | 94.36                          | 24,995.04                      |
| Provision against Claim Recoverables balances                                                | -                              | 17,648.25                      |
| Claim Recoverable Written off                                                                | 2,662.06                       | 251.40                         |
| Non Recoverable balances written off                                                         | 7,726.12                       | -                              |
| Unrealised (gain)/ loss on Foreign Currency Translation (Net)                                | 41.30                          | 34.56                          |
| Net (gain)/loss on financial assets measured at fair value through profit or loss            | (0.46)                         | (4.65)                         |
| <b>Cash flow from operating activities before change in operating assets and liabilities</b> | <b>(3,815.18)</b>              | <b>(2,323.86)</b>              |
| (Increase)/Decrease in trade receivables                                                     | 8,845.51                       | 2,918.62                       |
| (Increase)/Decrease in inventories                                                           | (1.06)                         | 14.73                          |
| (Increase)/Decrease in other financial assets                                                | 1,586.50                       | (688.27)                       |
| (Increase)/Decrease in other current assets                                                  | 385.73                         | (1,194.34)                     |
| Increase/(Decrease) in trade payables                                                        | (2,462.56)                     | 1,158.70                       |
| Increase/(decrease) in provisions                                                            | (97.83)                        | 66.30                          |
| Increase/ (decrease) in other financial liabilities                                          | (237.67)                       | (23.94)                        |
| Increase/ (decrease) in other liabilities                                                    | (144.94)                       | (1,736.46)                     |
| <b>Cash generated from operations</b>                                                        | <b>4,058.50</b>                | <b>(1,808.51)</b>              |
| Income taxes (paid)/Refund (net)                                                             | 208.86                         | 83.96                          |
| <b>Net cash inflow / (outflow) from operating activities</b>                                 | <b>4,267.36</b>                | <b>(1,724.55)</b>              |
| <b>Cash flows from investing activities</b>                                                  |                                |                                |
| Purchase of Property, Plant and Equipment and Intangible Assets                              | (1.24)                         | (0.14)                         |
| Deposits with Bank                                                                           | 1,671.51                       | (1,582.71)                     |
| Interest received                                                                            | 1.01                           | 85.21                          |
| <b>Net cash inflow / (outflow) from investing activities</b>                                 | <b>1,671.28</b>                | <b>(1,497.64)</b>              |
| <b>Cash flows from financing activities</b>                                                  |                                |                                |
| Proceeds from borrowings                                                                     | 9,483.95                       | 5,707.78                       |

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

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

| Particulars                                                      | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|------------------------------------------------------------------|--------------------------------|--------------------------------|
| Repayment of borrowings                                          | (15,118.00)                    | (7,042.04)                     |
| Repayment of Lease liability                                     | (90.28)                        | (74.94)                        |
| Finance cost paid on account of lease liability                  | (33.91)                        | (24.93)                        |
| Issue of new share capital                                       | -                              | 3,166.67                       |
| Finance Cost                                                     | -                              | (41.82)                        |
| <b>Net cash inflow / (outflow) from financing activities</b>     | <b>(5,758.24)</b>              | <b>1,690.72</b>                |
| <b>Net increase / (decrease) in cash and cash equivalents</b>    | <b>180.39</b>                  | <b>(1,531.47)</b>              |
| Cash and cash equivalents at the beginning of the financial year | 175.51                         | 1,706.98                       |
| <b>Cash and cash equivalents at end of the year</b>              | <b>355.90</b>                  | <b>175.51</b>                  |

Reconciliation of cash and cash equivalents as per the cash flow statement

| Particulars                                                     | 31st March 2026 | 31st March 2025 |
|-----------------------------------------------------------------|-----------------|-----------------|
| Cash on hand                                                    | 0.20            | 0.63            |
| Balance with Banks in Current Account                           | 355.70          | 174.88          |
| <b>Total Cash &amp; Cash equivalents at the end of the year</b> | <b>355.90</b>   | <b>175.51</b>   |

The Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 - Statement of Cash Flows.

The above standalone statement of cash flows should be read in conjunction with the accompanying note nos. 1 to 51.

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**For McNally Bharat Engineering Company Limited****(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

**Place:** Kolkata**Date :** 28th May, 2026**(Rajendra Mohan Mathur)**

Chief Executive Officer

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary



# Standalone Statement of Changes in Equity for the year ended 31st March, 2026

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

## A. Equity Share Capital

| Particulars                     | Notes | Equity Share Capital |
|---------------------------------|-------|----------------------|
| As at 31st March, 2024          |       | 21,157.08            |
| Changes in Equity Share Capital | 11(a) | (17,823.74)          |
| As at 31st March, 2025          |       | 3,333.33             |
| Changes in Equity Share Capital | 11(a) | -                    |
| As at 31st March, 2026          |       | 3,333.33             |

## B. Other Equity

| Particulars                                                  | Notes | Reserves and Surplus |                      |                            |                 |                 | Total                |
|--------------------------------------------------------------|-------|----------------------|----------------------|----------------------------|-----------------|-----------------|----------------------|
|                                                              |       | Securities Premium   | Retained Earnings    | Capital Redemption Reserve | Capital Reserve | General Reserve |                      |
| Balance at 1st April, 2024                                   |       | 1,12,869.05          | (5,56,480.96)        | 101.00                     | -               | 1,549.64        | (4,41,961.27)        |
| Profit/(Loss) for the year                                   | 11(b) | -                    | (1,71,608.57)        | -                          | -               | -               | (1,71,608.57)        |
| Other Comprehensive Income/(Loss) for the year               | 11(b) | -                    | 39.87                | -                          | -               | -               | 39.87                |
| Extinguishment of Share Capital in line with Resolution Plan | 11(b) |                      | 20,969.26            |                            |                 |                 | 20,969.26            |
| <b>Balance at 31st March, 2025</b>                           |       | <b>1,12,869.05</b>   | <b>(7,07,080.40)</b> | <b>101.00</b>              | <b>-</b>        | <b>1,549.64</b> | <b>(5,92,560.71)</b> |
| Profit/(Loss) for the year                                   | 11(b) | -                    | 3,45,219.73          | -                          | -               | -               | 3,45,219.73          |
| Other Comprehensive Income/(Loss) for the year               | 11(b) | -                    | (61.50)              | -                          | -               | -               | (61.50)              |
| Extinguishment of preference shares                          | 11(b) | 4,476.43             | -                    | -                          | -               | -               | 4,476.43             |
| Financial Liability written back                             | 11(b) | -                    | 2,95,687.14          | -                          | 975.00          | -               | 2,96,662.14          |
| <b>Balance at 31st March, 2026</b>                           |       | <b>1,17,345.48</b>   | <b>(66,235.01)</b>   | <b>101.00</b>              | <b>975.00</b>   | <b>1,549.64</b> | <b>53,736.11</b>     |

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying note nos. 1 to 51.

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**For McNally Bharat Engineering Company Limited**

**(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

**Place:** Kolkata

**Date :** 28th May, 2026

**(Rajendra Mohan Mathur)**

Chief Executive Officer

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary

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

### Corporate Information

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

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide order dated 29.04.2022 while admitting application, under section 7 of the Insolvency and Bankruptcy Code, 2016, of one of the financial creditors, initiated Corporate Insolvency Resolution Process against the company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was initially appointed as the Interim Resolution Professional in the said matter. Subsequently, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dated 26.08.2022.

The Hon'ble NCLT approved the Resolution Plan of one of the resolution applicants, namely M/s BTL EPC Limited, the Successful Resolution Applicant ("SRA") vide Order dated 19th December 2023 and a Monitoring Committee ("MC"), replacing the CoC, was formed in accordance with the said Order (the "Approved Resolution Plan"). As implementation and payment of the Approved Resolution Plan could not be completed within the timelines originally stipulated, the Hon'ble NCLT, vide its subsequent orders dated 3rd December 2024 and 23rd September 2025, extended the Effective Date for implementation of the Resolution Plan to 6th January 2025 and the timeline for payment of the cash consideration to 30th September 2025. During the year ended 31st March 2026, the SRA completed the payment obligations in respect of the cash consideration under the Approved Resolution Plan as updated by the aforesaid NCLT orders. The Company has accordingly given effect to the approved Resolution Plan in these standalone financial statements. This note provides a list of significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Board has approved the standalone financial statements for the year ended 31<sup>st</sup> March, 2026, authorized for issue on 28th May, 2026. The financial statements once approved by the Board of directors needs to be adopted by the shareholders at the annual general meeting of the Company.

### Note 1: Material Accounting Policies

#### (a) Basis of Preparation of Standalone Financial Statements

##### (i) Compliance with Ind AS

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

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

##### (ii) Historical cost convention

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

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

##### (iii) Current versus Non-Current Classification

All assets and liabilities have been classified as current or non - current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time



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

between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained, on an average its operating cycle for the purpose of current – non-current classification of assets and liabilities to be 12 months.

### *(iv) Use of estimates and judgments*

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

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

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

### **(b) Segment Reporting**

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

### **(c) Foreign Currencies**

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

#### *(i) Functional Currency*

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

#### *(ii) Transactions and balances*

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

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

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

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

### (d) Revenue Recognition

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

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

#### (i) *Sale of Goods and services*

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

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

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

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

#### (ii) *Construction Contracts*

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

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



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

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 (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

### (iv) *Export Benefits*

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

### (v) *Government Grants*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

## (e) **Taxation**

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

### (i) *Current Tax*

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

### (ii) *Deferred Tax*

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity. In such cases, the taxes are also recognised in Other Comprehensive Income or directly in Equity, as the case may be.

### (f) Leases

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

#### *As a Lessee (Assets taken on lease)*

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

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or those payments occur.

#### *As a Lessor*

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

### (g) Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.



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

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

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

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

### (h) Cash and Cash Equivalents

For the purpose of presentation in the Standalone Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand, demand deposits with banks, other short-term deposits, highly liquid investments, if any, with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Standalone Balance Sheet. Other Bank balances include fixed deposits, margin money deposits and earmarked balances with banks which have restrictions on repatriation.

### (i) Trade Receivables

Trade receivables are recognized initially at the transaction price and subsequently recognized at amortised cost less provision for impairment.

### (j) Inventories

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

### (k) Financial Liabilities

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

#### (i) Classification

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in the Standalone Statement of Profit and Loss. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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

### (ii) *Measurement*

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

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

### (iii) *De-recognition of financial liabilities:*

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

## (I) **Investments and Other Financial Assets**

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

### (i) *Classification*

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

- Those to be measured subsequently at fair value through profit or loss, and
- Those measured at amortized cost.
- Those to be measured subsequently at fair value through other comprehensive income, and

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

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

### (ii) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Standalone Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Further, in respect of retention amount receivable from customers the management generally has intention to provide bank guarantee to get an instant release of retention amount from customers. Therefore, the retention amounts are generally carried at amortized cost less provision for impairment.

Investments in Subsidiaries and Joint Ventures are recognized at cost as per Ind AS 27 "Separate Financial Instruments" less impairment provision, if any, as per Ind AS 36 "Impairment of Financial Assets". Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint venture and Associates the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.



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

- (a) Debt instruments measured at amortized cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (b) Equity instruments at Fair value through Profit or loss (FVTPL) - The Company subsequently measures all equity investments other than in subsidiaries and joint venture at fair value through profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of equity instruments at fair value through profit or loss are recognized in other gain/ (losses) in the Standalone Statement of Profit and Loss. The Company has not selected the irrevocable option of classifying investments to be carried at Fair Value through Other Comprehensive Income (FVOCI).

### (iii) Impairment of Financial Assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company provides for expected credit loss allowance by taking into consideration historical trend, industry practices and the business environment in which the company operates. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Standalone Statement of Profit and Loss.

For trade receivables and due 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.

All items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company

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

and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Standalone Statement of Profit and Loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Property, plant and equipment which are not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use.

### (i) *Depreciation methods, estimated useful lives and residual value*

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which in a case is different than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets as given below. The residual values are not more than 5% of the gross block of the asset. The estimated useful lives and residual values are reviewed at the end of each financial year, and the effect of any changes in the estimates will be accounted for prospectively

| Class of Assets     | Useful Lives as followed by the management |
|---------------------|--------------------------------------------|
| Plant and Machinery | 3 to 20 years                              |

Management believes that useful lives of these assets reflect the periods over which these assets are expected to be used.

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

### (p) **Investment Properties**

Property that is held for long term rental yields or for capital appreciation or both, and is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to Statement of Profit and Loss during the reporting period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced cost is derecognized.

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

On transition to Ind AS, the group has elected to continue with the carrying value of its investment properties measured at the previous GAAP and use that carrying value as the deemed cost of investment properties.

### (q) **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment, if any.



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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets measured at the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### (i) Computer Software

Costs incurred on computer software resulting in future economic benefits are capitalized as Intangible Assets.

Intangible Assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

### (ii) Research and Development

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

Development costs are recognised as intangible assets when the following criteria are met:

1. it is technically feasible to complete the intangible asset so that it will be available for use,
2. management intends to complete the intangible asset and use or sell it,
3. there is an ability to use or sell the intangible asset,
4. it can be demonstrated how the intangible asset will generate probable future economic benefits,
5. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
6. the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

### (iii) Amortisation methods and periods

Computer software is amortized on a straight-line basis over a period of three years.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Standalone Statement of Profit and Loss within other gains/ losses.

## (r) Trade and Other Payables

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

## (s) Borrowings

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

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

Preference Shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these Preference Shares are recognized in the Standalone Statement of Profit and Loss as finance costs.

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

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

### **(t) Borrowing Costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

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

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

### **(u) Provisions, Contingent Liabilities and Contingent Assets**

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks 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. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

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

### **(v) Employee Benefits**

#### *(i) Short – term Obligations*

Liabilities for wages and salaries, including compensated absences which are expected to be availed or encashed within 12 months after the year end and non - monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.



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

The obligations are presented as non-current liabilities in the Standalone Balance Sheet, if the entity does not expect actual settlement will occur within the operating cycle after the reporting period.

Employees' State Insurance Scheme: Contribution to Central Government of India administered Employees' State Insurance Scheme for eligible employees is recognized as charge in the Standalone Statement of Profit and Loss in the year in which they are accrued.

### (ii) *Other Long Term Employee Benefit Obligations*

The liabilities for earned leave, sick leave and long service award are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit Method. The benefits are discounted using the yield on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Standalone Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur.

The obligations are presented as current liabilities in the Standalone Balance Sheet if the entity does not have an unconditional right to defer settlement for at least the operating cycle after the reporting period, regardless of when the actual settlement is expected to occur.

### (iii) *Defined Benefit Plans*

The Company operates defined benefit plans such as Gratuity, Post - employment medical obligations and Provident Fund (administered by independent Trust).

The Company provides for gratuity covering eligible employees in accordance with Payment of Gratuity Act, 1972. The plan provides for lump sum payment to vested employees at retirement, death, incapacitation or termination of employment. The gratuity fund is administered by independent Trustees. Plan assets are managed by Life Insurance Corporation of India (LICI).

The Company provides for post - retirement medical benefits to eligible retired employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. The policy has been discontinued during the year after prior intimation to the beneficiaries.

The liability or asset recognized in the Standalone Balance Sheet in respect of the above defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

#### - Superannuation Fund

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

The Company maintained a Trust, till 31st March 2024, for depositing provident fund contributions. However, with effect from 1st April 2024, the Employees' Provident Fund Organisation (EPFO) issued a notice withdrawing the exemption granted to the Trust. The balance lying with the Trust is in the process of being transferred to the Regional Provident Fund Authorities.

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

### - Gratuity

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

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

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

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

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

### - Bonus plans

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision only where statutory liability to pay bonus exists.

### (w) Non- Current Assets held for sale.

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats the sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

### (x) Other Assets held for sale

Any other asset (tangible or intangible) held for sale is disclosed separately in Financial Statements, as appropriate. PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.



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

### (y) Exceptional items

When items of income and expenses within the statement of profit and loss from ordinary activities are of such size, nature and or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### (z) Contributed Equity

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

### (aa) Dividends Payment

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

### (ab) Earnings Per Share

#### (i) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing:

- Profit/ (Loss) attributable to equity shareholders of the Company
- By the weighted average number of Equity Shares outstanding during the financial year.

#### (ii) Diluted Earnings Per Share

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

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

### (ac) Recent pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards and/or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 applicable to the Company.

#### **Ind AS 7 and Ind AS 107 – Supplier Finance Arrangements**

The amendments mandates to disclose the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The amendments are effective for annual reporting periods beginning on or after 1st April 2025.

#### **Ind AS 1 and Ind AS 10 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

The amendments clarify the principles for classifying liabilities as current or non-current, including that the right to defer settlement must exist at the reporting date and that the classification of a liability is not affected by management's intention to exercise such right. The amendments also introduce additional disclosure requirements for non-current liabilities where the right to defer settlement is subject to compliance with future loan covenants within twelve months after the reporting period.

Further, where a breach of a material loan covenant on or before the reporting date results in a liability becoming

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

payable on demand, the liability is required to be classified as current, even if the lender subsequently agrees, before the financial statements are approved for issue, not to demand repayment for at least twelve months.

### Ind AS 12 - International Tax Reform—Pillar Two Model Rules

The amendments is made in response to the OECD's BEPS Pillar Two rules and include, a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception applies immediately and the remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The notification also includes consequential and editorial amendments to certain Ind AS to improve consistency and alignment with corresponding IFRS updates.

The amendments had no impact on the Company's standalone financial statements.

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

In the process of applying the company's accounting policies, management has made the following estimates, judgments and assumptions, which have the significant effect on the amounts recognised and disclosed in the Standalone Financial Statements:

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

Estimates and 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 to the Standalone Financial Statements for the year ended 31st March, 2026

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

## Note 3: Property, Plant and Equipment

| Particulars                                       | Plant & Equipment | Furniture & Fixtures | Vehicles     | Office Equipment | Total            | Capital work-in-progress | Right to Use Assets |
|---------------------------------------------------|-------------------|----------------------|--------------|------------------|------------------|--------------------------|---------------------|
| <b>1st April, 2024</b>                            |                   |                      |              |                  |                  |                          |                     |
| <b>Gross Carrying Amount</b>                      |                   |                      |              |                  |                  |                          |                     |
| Opening gross carrying amount                     | 9,766.08          | 678.35               | 44.64        | 109.97           | 10,599.04        | 462.62                   | 194.94              |
| Additions                                         | 0.15              | -                    | -            | -                | 0.15             | -                        | 298.99              |
| <b>Disposals/Adjustments</b>                      | -                 | -                    | -            | -                | -                | <b>(462.62)</b>          | <b>(194.94)</b>     |
| <b>Closing Gross Carrying Amount</b>              | <b>9,766.23</b>   | <b>678.35</b>        | <b>44.64</b> | <b>109.97</b>    | <b>10,599.19</b> | -                        | <b>298.99</b>       |
| <b>Accumulated Depreciation</b>                   |                   |                      |              |                  |                  |                          |                     |
| Opening Accumulated Depreciation                  | 8,404.14          | 652.60               | 41.37        | 80.36            | 9,178.47         | -                        | 162.45              |
| Depreciation charged during the year              | 201.80            | 4.37                 | 0.70         | 2.43             | 209.30           | -                        | 82.32               |
| Adjustments                                       | -                 | -                    | -            | -                | -                | -                        | (194.94)            |
| <b>Closing Accumulated Depreciation</b>           | <b>8,605.94</b>   | <b>656.96</b>        | <b>42.07</b> | <b>82.79</b>     | <b>9,387.77</b>  | -                        | <b>49.83</b>        |
| <b>Net Carrying Amount as at 31st March, 2025</b> | <b>1,160.29</b>   | <b>21.39</b>         | <b>2.57</b>  | <b>27.18</b>     | <b>1,211.42</b>  | -                        | <b>249.16</b>       |
| <b>1st April, 2025</b>                            |                   |                      |              |                  |                  |                          |                     |
| <b>Gross Carrying Amount</b>                      | 9,766.23          | 678.35               | 44.64        | 109.97           | 10,599.19        | -                        | 298.99              |
| Additions                                         | 1.23              | -                    | -            | -                | 1.23             | -                        | 67.90               |
| Disposals/Adjustments*                            | (5,050.20)        | (664.10)             | (22.28)      | (74.84)          | (5,811.42)       | -                        | -                   |
| Closing Gross Carrying Amount                     | 4,717.26          | 14.25                | 22.36        | 35.13            | 4,789.00         | -                        | 366.89              |
| <b>Accumulated Depreciation</b>                   |                   |                      |              |                  |                  |                          |                     |
| Opening Accumulated Depreciation                  | 8,605.94          | 656.96               | 42.07        | 82.79            | 9,387.77         | -                        | 49.83               |
| Depreciation charged during the year              | 137.30            | 2.18                 | -            | 1.59             | 141.08           | -                        | 101.02              |
| Adjustments due to modification of lease          |                   |                      |              |                  |                  |                          | 14.94               |
| Adjustments/Disposals*                            | (4,458.66)        | (645.43)             | (20.84)      | (54.25)          | (5,179.18)       | -                        | -                   |
| Closing Accumulated Depreciation                  | 4,284.58          | 13.71                | 21.23        | 30.14            | 4,349.67         | -                        | 165.79              |
| <b>Net Carrying Amount as at 31st March, 2026</b> | <b>432.68</b>     | <b>0.54</b>          | <b>1.13</b>  | <b>4.99</b>      | <b>439.33</b>    | -                        | <b>201.10</b>       |

\*During the year, company has conducted physical verification of its property, plant and equipment and the assets which were not physically available are written off having net impact amounting to Rs. 632.24 Lakhs in "Other Expenses" under the head "Loss on disposal of Property Plant and Equipment."

### (i) Property, Plant and Equipment pledged as Security

Refer to note 36 on Property, Plant and Equipment as security by the Company.

### (ii) Capital Commitments

Refer to note 28 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

## Note 4: Other Intangible Assets

| Particulars                          | Computer Software * |
|--------------------------------------|---------------------|
| <b>1st April, 2024</b>               |                     |
| <b>Gross Carrying Amount</b>         |                     |
| Opening Gross Carrying Amount        | 88.53               |
| Additions                            | -                   |
| <b>Closing Gross Carrying amount</b> | <b>88.53</b>        |
| <b>Accumulated Amortisation</b>      |                     |

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

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

| Particulars                                       | Computer Software * |
|---------------------------------------------------|---------------------|
| Opening Accumulated Amortisation                  | 26.33               |
| Amortisation charge for the year                  | 4.99                |
| <b>Net carrying amount as at 31st March, 2025</b> | <b>31.32</b>        |
| <b>Net carrying amount as at 31st March, 2025</b> | <b>57.21</b>        |
| <b>1st April, 2025</b>                            |                     |
| <b>Gross Carrying Amount</b>                      |                     |
| Opening Gross Carrying Amount                     | 88.53               |
| Additions                                         | -                   |
| Adjustments/Disposals**                           | (44.47)             |
| <b>Closing Gross Carrying amount</b>              | <b>44.06</b>        |
| <b>Accumulated Amortisation</b>                   |                     |
| Opening Accumulated Amortisation                  | 31.32               |
| Amortisation charge for the year                  | 4.99                |
| Adjustments/Disposals**                           | 3.25                |
| <b>Closing accumulated amortisation</b>           | <b>39.56</b>        |
| <b>Net carrying amount as at 31st March, 2026</b> | <b>4.50</b>         |

\*Computer software consists of other than internally generated intangible assets.

\*\*During the year, company has verified the existence of its intangible assets and the assets which were obsolete are written off, having net impact amounting to Rs. 47.72 Lakhs in "Other Expenses" under the head "Loss on disposal of Property Plant and Equipment".

### Note 5: Non-current Investments

| Particulars                                                                                                                                                                             | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Investment in Equity Instruments (fully paid-up)</b>                                                                                                                                 |                           |                           |
| <b>In Subsidiaries</b>                                                                                                                                                                  |                           |                           |
| <b>Unquoted (at cost)</b>                                                                                                                                                               |                           |                           |
| 99,400 (31st March, 2025 : 99,400) Equity Shares of McNally Bharat Equipments Limited                                                                                                   | 9.94                      | 9.94                      |
| 6,49,459 (31st March, 2025 : 6,49,459) Equity Shares of Rs. 10/- each of MBE Mineral Technologies Pte Limited (Cost Rs. 2550.74 , fully impaired)*                                      | -                         | 2,550.74                  |
| 4,99,99,996 (31st March, 2025 : 4,99,99,996) Equity Shares of ZMK 1 each of MBE Minerals Zambia Limited (Cost Rs. 4.69 , fully impaired)*                                               | -                         | 4.69                      |
| 100 (31st March, 2025 : 100) Equity Shares of ZAR 1 each of McNally Bharat Engineering (SA) Proprietary Limited (Cost Rs. 0.13 , fully impaired) - deregistered w.e.f 30th June, 2017)* | -                         | 0.13                      |
| <b>In Joint Ventures</b>                                                                                                                                                                |                           |                           |
| <b>Unquoted (at cost)</b>                                                                                                                                                               |                           |                           |
| 87,500 (31st March, 2025 : 87,500) Equity Shares of EMC MBE Contracting Company LLC (Cost Rs. 152.31, fully Impaired)*                                                                  | -                         | 152.31                    |
| <b>Equity Instruments carried at Fair Value Through Profit and Loss</b>                                                                                                                 |                           |                           |
| <b>Quoted</b>                                                                                                                                                                           |                           |                           |
| 10,960 (31st March, 2025 : 10,960) Equity Shares of Rs. 5/- each of Eveready Industries India Limited                                                                                   | 28.79                     | 33.23                     |



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

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

| Particulars                                                                                                                                 | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| 10,960 (31st March, 2025 : 10,960) Equity Shares of Rs. 5/- each of McLeod Russel India Limited                                             | 3.18                      | 3.70                      |
| <b>Total (Equity Instruments)</b>                                                                                                           | <b>41.91</b>              | <b>2,754.74</b>           |
| <b>Investment in Mutual Funds</b>                                                                                                           |                           |                           |
| <b>Unquoted</b>                                                                                                                             |                           |                           |
| 362,970.078 (31st March, 2025 : 362,970.078) units of HSBC Short Duration Fund- Regular Growth (Formerly L&T Short Term Bond Fund - Growth) | 99.29                     | 93.87                     |
| <b>Total (Mutual Funds)</b>                                                                                                                 | <b>99.29</b>              | <b>93.87</b>              |
| <b>Impairment in the value of Investments carried at cost</b>                                                                               |                           |                           |
| 6,49,459 (31st March, 2025 : 6,49,459) Equity Shares of Rs. 10/- each of MBE Mineral Technologies Pte Limited                               | -                         | 2550.74                   |
| 4,99,99,996 (31st March, 2025 : 4,99,99,996) Equity Shares of ZMK 1 each of MBE Minerals Zambia Limited                                     | -                         | 4.69                      |
| 100 (31st March, 2025 : 100) Equity Shares of ZAR 1 each of McNally Bharat Engineering (SA) Proprietary Limited                             | -                         | 0.13                      |
| 87,500 (31st March, 2025 : 87,500) Equity Shares of EMC MBE Contracting Company LLC                                                         | -                         | 152.31                    |
| <b>Total Impairment</b>                                                                                                                     | <b>-</b>                  | <b>2,707.87</b>           |
| <b>Total Non-current Investments</b>                                                                                                        | <b>141.20</b>             | <b>140.74</b>             |
| Aggregate market value of Quoted Investments                                                                                                | 131.26                    | 130.80                    |
| Aggregate amount of unquoted Investments                                                                                                    | 9.94                      | 2,717.81                  |
| Aggregate amount of impairment in the value of Investments                                                                                  | -                         | 2,707.87                  |

\*On 5th August 2025, it came to the knowledge of the Company that the regulatory authority in Singapore had deregistered the Company's wholly owned subsidiary i.e., MBE Mineral Technologies Pte. Ltd. Since there were no operational activities or financial returns from the said entity ever since the Company entered into CIRP, the investment amounted to Rs. 2,550.74 Lakhs in the said subsidiary has been written off against the impairment already recognized in the books of account.

Further, the Company had investments in foreign subsidiaries MBE Mineral Zambia Limited and McNally Bharat Engineering (SA) Proprietary Limited amounting to Rs. 4.49 Lakhs and Rs. 0.13 Lakhs respectively, and a foreign joint venture EMC MBE Contracting Company LLC amounting to Rs. 152.31 Lakhs. Since these investments were already fully impaired in the previous financial year and the aforesaid entities are not part of the approved Resolution Plan, management has considered writing off the said investments in the books of account. Further, the management is of the view that any statutory or regulatory compliance, if required in this regard, shall be undertaken in due course.

### Note 6(a): Trade receivables

| Particulars                                                                               | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Unsecured</b>                                                                          |                           |                           |
| Trade receivables - Considered good                                                       | 18,373.75                 | 33,872.48                 |
| Trade receivables - Credit impaired                                                       | 45,846.03                 | 78,898.21                 |
|                                                                                           | 64,219.78                 | 1,12,770.69               |
| Less: Allowance for doubtful receivables & Expected Credit loss Provision (Refer Note 25) | (47,644.32)               | (78,898.21)               |
| <b>Total Trade Receivables</b>                                                            | <b>16,575.46</b>          | <b>33,872.48</b>          |
| Current                                                                                   | 16,575.46                 | 33,872.48                 |

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

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

### Trade Receivables Ageing Schedule as at 31st March, 2026

| Particulars                                                             | Unbilled      | Outstanding for following periods from due date of payment |                   |               |               |                   | Total            |
|-------------------------------------------------------------------------|---------------|------------------------------------------------------------|-------------------|---------------|---------------|-------------------|------------------|
|                                                                         |               | Less than 6 months                                         | 6 months - 1 year | 1-2 years     | 2-3 years     | More than 3 years |                  |
| Undisputed Receivables - Considered Good                                | 112.24        | 1507.89                                                    | 246.76            | 432.54        | 541.43        | 1,831.35          | 4,672.21         |
| Undisputed Receivables - Which have significant increase in credit risk |               | -                                                          | -                 | -             | -             | -                 | -                |
| Undisputed Receivables - Credit Impaired                                |               | -                                                          | -                 | -             | -             | 17,279.59         | 17,279.59        |
| Disputed Receivables - Considered Good                                  |               | -                                                          | -                 | -             | -             | 13701.54          | 13,701.54        |
| Disputed Receivables - Which have significant increase in credit risk   |               | -                                                          | -                 | -             | -             | -                 | -                |
| Disputed Receivables - Credit Impaired                                  |               | -                                                          | -                 | -             | -             | 28566.44          | 28566.44         |
| <b>Total Receivables</b>                                                | <b>112.24</b> | <b>1507.89</b>                                             | <b>246.76</b>     | <b>432.54</b> | <b>541.43</b> | <b>61,378.92</b>  | <b>64,219.78</b> |
| Less: Allowance for Doubtful trade receivables (including ECL)          |               |                                                            |                   |               |               |                   | (47,644.32)      |
| <b>Total Trade Receivables</b>                                          |               |                                                            |                   |               |               |                   | <b>16,575.46</b> |

### Trade Receivables Ageing Schedule as at 31st March, 2025

| Particulars                                                             | Outstanding for following periods from due date of payment |                    |                   |               |                 |                    | Total              |
|-------------------------------------------------------------------------|------------------------------------------------------------|--------------------|-------------------|---------------|-----------------|--------------------|--------------------|
|                                                                         | Unbilled                                                   | Less than 6 months | 6 months - 1 year | 1-2 years     | 2-3 years       | More than 3 years  |                    |
| Undisputed Receivables - Considered Good                                | -                                                          | 2,361.33           | 669.54            | 567.17        | 1,389.88        | 1,832.32           | 6,820.24           |
| Undisputed Receivables - Which have significant increase in credit risk | -                                                          | -                  | -                 | -             | -               | -                  | -                  |
| Undisputed Receivables - Credit Impaired                                | -                                                          | -                  | -                 | -             | -               | 78,898.21          | 78,898.21          |
| Disputed Receivables - Considered Good                                  | -                                                          | 414.33             | 190.28            | 2.69          |                 | 26,444.94          | 27,052.24          |
| Disputed Receivables - Which have significant increase in credit risk   | -                                                          | -                  | -                 | -             | -               | -                  | -                  |
| Disputed Receivables - Credit Impaired                                  | -                                                          | -                  | -                 | -             | -               | -                  | -                  |
| <b>Total Receivables</b>                                                | <b>-</b>                                                   | <b>2,775.66</b>    | <b>859.82</b>     | <b>569.86</b> | <b>1,389.88</b> | <b>1,07,175.47</b> | <b>1,12,770.69</b> |
| Less: Allowance for Doubtful trade receivables (including ECL)          |                                                            |                    |                   |               |                 |                    | (78,898.21)        |
| <b>Total Trade Receivables</b>                                          |                                                            |                    |                   |               |                 |                    | <b>33,872.48</b>   |



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

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

### Note 6(b): Cash and cash Equivalents

| Particulars                      | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------|---------------------------|---------------------------|
| Balances with banks              |                           |                           |
| - in current accounts*           | 355.70                    | 174.88                    |
| Cash on hand                     | 0.20                      | 0.63                      |
| Total cash and cash equivalents  | 355.90                    | 175.51                    |
| Other bank balances              |                           |                           |
| Earmarked balances with Banks *  | 211.35                    | 1,881.34                  |
| Deposits with bank*              | 0.75                      | 0.75                      |
| <b>Total other bank balances</b> | <b>212.10</b>             | <b>1,882.09</b>           |

\* The above figure are subject to balance confirmation from bank

### Note 6(c): Loans

| Particulars                                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------|---------------------------|---------------------------|
| <b>Unsecured</b>                              |                           |                           |
| Loans to subsidiaries - Credit impaired       | -                         | 1,425.12                  |
| Loans to others (Refer Note 38)               | 1,744.38                  | 1,744.38                  |
| Less: Allowance for doubtful loan receivables | (1,744.38)                | (1,425.12)                |
| <b>Total Loans</b>                            | <b>-</b>                  | <b>1,744.38</b>           |

### Note 6(d): Other financial assets

| Particulars                              | As at<br>31st March, 2026 |              | As at<br>31st March, 2025 |              |
|------------------------------------------|---------------------------|--------------|---------------------------|--------------|
|                                          | Current                   | Non-current  | Current                   | Non-current  |
| Security deposits*                       | 776.96                    | -            | 1,354.95                  | -            |
| Deposit for Joint Venture                | 4,149.09                  | -            | 4,149.09                  | -            |
| Advance to Employees                     | 1.11                      | -            | 1.87                      | -            |
| Due from customers (Net) (Refer Note 25) | -                         | -            | 1,543.79                  | -            |
| Claims recoverable (Refer note 25(A))    | -                         | -            | 2,828.72                  | -            |
| Earmarked balances with banks**          | -                         | 12.04        | 3.83                      | 13.56        |
| Receivable from Others                   | 9.13                      | -            | -                         | -            |
| Receivable from Related Parties          | 21.14                     | -            | -                         | -            |
| <b>Total other financial assets</b>      | <b>4,957.44</b>           | <b>12.04</b> | <b>9,882.25</b>           | <b>13.56</b> |

\* Balance is net of provision on Doubtful Security Deposits amounting to Rs. 658.68 Lakhs (P.Y. Nil). Further, Security Deposits includes Rs 552 Lakhs deposited as per direction of High court order against arbitration case. Consequently, no interest income has been recognized on the said deposit upto 31st March, 2026.

\*\* Earmarked balances (which also includes interest accrued on deposit) with banks represent deposits maintained as margin money against bank guarantees and balances held with various statutory and other authorities. The aforesaid balance is stated net off provision amounting to Rs. 33.74 Lakhs (Previous Year: Rs. Nil).

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

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

### Note 7: Deferred Tax Assets (Net)

| Particulars                                                                                                                     | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Deferred Tax Assets on :</b>                                                                                                 |                           |                           |
| Tax losses                                                                                                                      | 51,540.39                 | 51,540.39                 |
| Difference in WDV of Property, Plant & Equipment and Intangible Assets between the Companies Act, 2013 and Income Tax Act, 1961 | 166.21                    | 166.21                    |
| <b>Total Deferred Tax Assets</b>                                                                                                | <b>51,706.60</b>          | <b>51,706.60</b>          |

The Company had recognized Deferred Tax Assets amounting to Rs 51,706.60 Lakhs up to 31st March, 2018 and retains such value after due assessment. The Company has unabsorbed business losses available for set-off against future profits and the management expects improved business performance and profitability in the coming years. Hence, recognition of deferred tax assets has been continued.

### Note 8: Inventories

| Particulars              | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|--------------------------|---------------------------|---------------------------|
| Raw Materials*           | -                         | 22.38                     |
| <b>Total inventories</b> | <b>-</b>                  | <b>22.38</b>              |

\*Net of provision on slow and non moving inventories amounting to Rs. 76.51 Lakhs (P.Y. Rs. 53.20 Lakhs).

### Note 9: Current Tax Assets (Net)

| Particulars                           | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------|---------------------------|---------------------------|
| Income Tax*                           | 141.51                    | 128.72                    |
| <b>Total current tax assets (net)</b> | <b>141.51</b>             | <b>128.72</b>             |

\* Net of provisions Rs. Nil (P.Y. Rs. 390.84 Lakhs)

### Note 10: Other Current Assets

| Particulars                                                          | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------------------------------------|---------------------------|---------------------------|
| Advance to suppliers & others*                                       | 31.05                     | 143.18                    |
| Balance with statutory/government authorities (Refer Note 41 and 42) | 7,333.00                  | 15,389.01                 |
| Prepaid expenses                                                     | 196.06                    | 234.12                    |
| <b>Total other current assets</b>                                    | <b>7,560.10</b>           | <b>15,766.31</b>          |

\*The said balance is net of provision on doubtful advances amounting to Rs. 94.36 Lakhs

### Note 11: Equity Share Capital And Other Equity

#### (A) Equity Share Capital

| Particulars                  | As at 31st March, 2026 |                 | As at 31st March, 2025 |                  |
|------------------------------|------------------------|-----------------|------------------------|------------------|
|                              | Number of Shares       | Amount          | Number of Shares       | Amount           |
| <b>Authorised</b>            |                        |                 |                        |                  |
| As at 31st March 2024        | 24,00,00,000           | 2,400.00        | 14,00,00,000           | 14,000.00        |
| As at 31st March 2025        | 24,00,00,000           | 2,400.00        | 14,00,00,000           | 14,000.00        |
| <b>As at 31st March 2026</b> | <b>24,00,00,000</b>    | <b>2,400.00</b> | <b>14,00,00,000</b>    | <b>14,000.00</b> |



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

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

| Particulars                                                                                 | As at 31st March, 2026 |                  | As at 31st March, 2025 |        |
|---------------------------------------------------------------------------------------------|------------------------|------------------|------------------------|--------|
|                                                                                             | Number of Shares       | Amount           | Number of Shares       | Amount |
| <b>Issued, Subscribed and Paid up:</b>                                                      |                        |                  |                        |        |
| <b>As at 31st March 2024</b>                                                                | <b>21,15,70,757</b>    | <b>21,157.08</b> | -                      | -      |
| <b>Movements in Share Capital (Refer Note 41)</b>                                           |                        |                  |                        |        |
| a) Extinguishment of Share Capital in line with Resolution Plan                             | (21,15,70,757)         | (21,157.08)      | -                      | -      |
| b) Allotment of fresh share in line with Resolution plan - Mandal Vyapar Private Limited    | 3,00,00,000            | 3,000.00         | -                      | -      |
| c) Allotment of fresh share in line with Resolution plan - Secured Financial Institution    | 16,00,850              | 160.09           | -                      | -      |
| d) Allotment of fresh share in line with Resolution plan - Un-Secured Financial Institution | 65,817                 | 6.58             | -                      | -      |
| e) Allotment of fresh share in line with Resolution plan - Existing Share Holder            | 16,66,667              | 166.67           | -                      | -      |
| As at 31st March 2025                                                                       | 3,33,33,334            | 3,333.33         |                        |        |
| Changes during the year                                                                     | -                      | -                |                        |        |
| <b>As at 31st March 2026</b>                                                                | <b>3,33,33,334</b>     | <b>3,333.33</b>  | -                      | -      |

### i) Terms and Rights attached to Equity Shares:

Each Equity Share has a par value of Rs 10/-. It entitles the holder to participate in dividends, and to share upon liquidation of the company in proportion to the number of shares held and amounts paid thereon. Every holder of Equity Shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### ii) Shares of the Company held by Holding / Ultimate Holding Company:

By virtue of implementation of Resolution Plan, Mandal Vyapar Private Limited holds 300 Lakh shares of the Company which constitutes of 90% of the share capital. Consequently, Mandal Vyapar Private Limited has become the holding company of the McNally Bharat Engineering Company Limited.

### iii) Details of shareholders holding more than 5% of the aggregate Equity Shares in the Company:

| Name of the Shareholder       | As at 31st March, 2026 |           | As at 31st March, 2025 |           |
|-------------------------------|------------------------|-----------|------------------------|-----------|
|                               | Number of Shares       | % holding | Number of Shares       | % holding |
| Mandal Vyapar Private Limited | 30,00,00,000           | 90.00     | 30,00,00,000           | 90.00     |

### iv) Shares held by promoters at the end of the year:

| Name of the Shareholder       | As at 31st March, 2026 |           | As at 31st March, 2025 |           |
|-------------------------------|------------------------|-----------|------------------------|-----------|
|                               | Number of Shares       | % holding | Number of Shares       | % holding |
| Mandal Vyapar Private Limited | 30,00,00,000           | 90.00     | 30,00,00,000           | 90.00     |

### Note 11(b): Other Equity

| Particulars                | As at 31st March, 2026 | As at 31st March, 2025 |
|----------------------------|------------------------|------------------------|
| General Reserve            | 1,549.64               | 1,549.64               |
| Retained Earnings          | (66,235.01)            | (7,07,080.40)          |
| Securities Premium         | 1,17,345.48            | 1,12,869.05            |
| Capital Redemption Reserve | 101.00                 | 101.00                 |
| <b>Capital Reserve</b>     | <b>975.00</b>          | -                      |
| <b>Total Other Equity</b>  | <b>53,736.11</b>       | <b>(5,92,560.71)</b>   |

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

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

### (i) General Reserve

| Particulars                     | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------|---------------------------|---------------------------|
| As per last Financial Statement | 1,549.64                  | 1,549.64                  |
| Changes during the year         | -                         | -                         |
| <b>Closing balance</b>          | <b>1,549.64</b>           | <b>1,549.64</b>           |

#### Nature and purpose:

The reserve is a part of Retained Earnings. This reserve can be utilised in accordance with the provisions of the Act.

### (ii) Retained Earnings

| Particulars                                                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------|---------------------------|---------------------------|
| As per last Financial Statement                               | (7,07,080.40)             | (5,56,480.96)             |
| Net Profit/(Loss) for the year                                | 3,45,219.73               | (1,71,608.57)             |
| Items of OCI directly transferred to retained earnings        | (61.50)                   | 39.87                     |
| Extinguishment of Share Capital in line with Resolution Plan* | -                         | 20,969.26                 |
| Add: Transferred from Capital reserve                         | 2,95,687.14               | -                         |
| <b>Closing balance</b>                                        | <b>(66,235.01)</b>        | <b>(7,07,080.40)</b>      |

#### Nature and purpose:

This reserve represents the cumulative profits of the company. This reserve can be utilised in accordance with the provisions of the Act.

\*This amount represents net off effect of extinguishment of existing share capital and fresh issue of share capital as per Resolution Plan and payment made to existing shareholders as a gesture of goodwill of Rs. 21.16 Lakhs (Refer Note 41)

### (iii) Securities Premium

| Particulars                         | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------|---------------------------|---------------------------|
| As per last Financial Statement     | 1,12,869.05               | 1,12,869.05               |
| Extinguishment of preference shares | 4,476.43                  | -                         |
| Changes during the year             | -                         | -                         |
| <b>Closing balance</b>              | <b>1,17,345.48</b>        | <b>1,12,869.05</b>        |

#### Nature and purpose:

Securities Premium has arisen on issue of Shares. The Reserve can be utilised in accordance with the provisions of the Act.

### (iv) Capital Redemption Reserve

| Particulars                     | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------|---------------------------|---------------------------|
| As per last Financial Statement | 101.00                    | 101.00                    |
| <b>Closing balance</b>          | <b>101.00</b>             | <b>101.00</b>             |

#### Nature and purpose:

Capital Redemption Reserve is a non distributable reserve. The reserve can be utilised in accordance with the provisions of the Act.

### (v) Capital Reserve

| Particulars                            | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------|---------------------------|---------------------------|
| Financial Liability written back       | 2,96,662.14               | -                         |
| Less: Transferred to Retained Earnings | (2,95,687.14)             | -                         |
| <b>Closing balance</b>                 | <b>975.00</b>             | <b>-</b>                  |



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

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

### Nature and purpose:

Represents reserve created on account of write back of preference shares liability (Refer Note 41). The reserve can be utilised in accordance with the provisions of the Act.

### Note 12: Financial liabilities

#### 12(a) Non-current borrowings

| Particulars                             | Coupon/ Interest rate | As at 31st March, 2026 | As at 31st March, 2025 |
|-----------------------------------------|-----------------------|------------------------|------------------------|
| <b>Loans repayable on demand</b>        |                       |                        |                        |
| <b>Secured</b>                          |                       |                        |                        |
| <b>From banks*</b>                      |                       |                        |                        |
| Cash credit from banks                  | 12.05% to 18.75%      | -                      | 1,78,819.49            |
| Working capital demand loans from banks | 12.5% to 13.50%       | -                      | 16,076.31              |
| Current maturities of long-term debt    | 6 month LIBOR+4.15%   | -                      | 567.77                 |
| <b>Unsecured</b>                        |                       |                        |                        |
| Inter Corporate Deposit*                | 15% to 18%            | -                      | 1,08,252.51            |
| Loan from Related Parties               | 12.75%                | 9,483.95               | 5,707.78               |
| <b>Total current borrowings</b>         |                       | <b>9,483.95</b>        | <b>3,09,423.86</b>     |

\*Pursuant to the implementation of the approved Resolution Plan during the year (Refer Note 41 and 42), the liabilities pertaining to the cash credit, working capital demand loans, external commercial borrowings and Inter corporate deposits have been written back after giving effect to the payments made in accordance with the terms of the Resolution Plan. The charges created over the Company's assets in respect of the aforesaid borrowings from the banks will be vacated in accordance with other terms and conditions laid out in the resolution plan.

### Note 12(b): Lease Obligation

| Name of the Shareholder       | As at 31st March, 2026 |               | As at 31st March, 2025 |              |
|-------------------------------|------------------------|---------------|------------------------|--------------|
|                               | Non-Current            | Current       | Non-Current            | Current      |
| Lease Obligation              | 110.67                 | 114.83        | 176.69                 | 86.13        |
| <b>Total Lease Obligation</b> | <b>110.67</b>          | <b>114.83</b> | <b>176.69</b>          | <b>86.13</b> |

### Note 12(c): Other Financial Liabilities

| Particulars                                       | As at 31st March, 2026 | As at 31st March, 2025 |
|---------------------------------------------------|------------------------|------------------------|
| Liability for Redeemable Preference Shares*       | -                      | 5,451.43               |
| Dividend Accrued on Preference Shares*            | -                      | 448.50                 |
| Security deposits                                 | -                      | 90.29                  |
| Interest accrued on borrowings                    | 1,156.81               | 3,48,709.12            |
| Employee Benefits payable                         | 183.26                 | 718.80                 |
| Liability towards Resolution Plan (Refer Note 41) | 34.21                  | -                      |
| Others**                                          | 7,974.01               | 14,133.09              |
| <b>Total other current financial liabilities</b>  | <b>9,348.29</b>        | <b>3,69,551.23</b>     |

\*9,75,000 Non- Cumulative Redeemable Cumulative Preference Shares having face value of Rs. 100 each were redeemable by the Company in eight equal quarterly instalments commencing from 5 June 2018, with the final instalment due on 5 March 2020, but the Company was unable to redeem the Shares as per the agreed schedule and consequently the liability

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

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

has been classified as other financial liability. Pursuant to the implementation of the approved Resolution Plan (refer Note 41 and 42), the company extinguished preference shares amounting to Rs. 5,451.43 lakhs (of which Rs. 4,476.43 relates to premium payable on redemption of such preference shares) and written back dividend payable on such preference shares amounting to Rs. 448.50 Lakhs.

\*\* Primarily includes Provision for Future Foreseeable Loss and Liquidated Damages

### Note 12(d): Trade payables

| Particulars                                                               | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------------------|---------------------------|---------------------------|
| Trade payables due to micro, small and medium enterprises (Refer note 30) | 542.83                    | 186.38                    |
| Trade payables other than micro enterprises and small enterprises         | 2,264.67                  | 23,301.81                 |
| <b>Total Trade Payables</b>                                               | <b>2,807.50</b>           | <b>23,488.19</b>          |

#### Trade payables Ageing Schedule as at 31st March, 2026

| Particulars            | Outstanding for following periods from due date of payment |                     |           |           |                      | Total    |
|------------------------|------------------------------------------------------------|---------------------|-----------|-----------|----------------------|----------|
|                        | Not Due                                                    | Less than<br>1 year | 1-2 years | 2-3 years | More than 3<br>years |          |
| MSME                   | -                                                          | 542.83              | -         | -         | -                    | 542.83   |
| Others                 | -                                                          | 1,490.35            | 396.88    | 296.27    | 81.18                | 2,264.67 |
| Disputed Dues - MSME   | -                                                          | -                   | -         | -         | -                    | -        |
| Disputed Dues - Others | -                                                          | -                   | -         | -         | -                    | -        |

#### Trade payables Ageing Schedule as at 31st March, 2025

| Particulars            | Outstanding for following periods from due date of payment |                     |           |           |                      | Total     |
|------------------------|------------------------------------------------------------|---------------------|-----------|-----------|----------------------|-----------|
|                        | Not Due                                                    | Less than<br>1 year | 1-2 years | 2-3 years | More than 3<br>years |           |
| MSME                   | -                                                          | -                   | -         | 0.05      | 152.46               | 152.51    |
| Others                 | -                                                          | 2,795.32            | 1,088.08  | 1,211.36  | 17,381.65            | 22,476.41 |
| Disputed Dues - MSME   | -                                                          | -                   | -         | -         | 33.87                | 33.87     |
| Disputed Dues - Others | -                                                          | -                   | -         | -         | 825.40               | 825.40    |

### Note 13: Other Current Liabilities

| Particulars                                                             | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------------------------------------------|---------------------------|---------------------------|
| Advance from customers                                                  |                           |                           |
| - From Joint Venture                                                    | 368.52                    | -                         |
| - From Subsidiary                                                       | 57.45                     | 32.50                     |
| - From Others                                                           | 570.00                    | 2,397.76                  |
| Payable to Government Authorities                                       | 99.63                     | 417.22                    |
| Provision for contingencies                                             | 2,000.00                  | -                         |
| Dividend Distribution Tax on preference dividend (Refer Note 41 and 42) | -                         | 91.76                     |
| Benevolent fund (Refer Note 41 and 42)                                  | -                         | 101.54                    |
| <b>Total other liabilities</b>                                          | <b>3,095.61</b>           | <b>3,040.78</b>           |



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

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

## Note 14: Provisions

| Name of the Shareholder       | As at 31st March, 2026 |               | As at 31st March, 2025 |               |
|-------------------------------|------------------------|---------------|------------------------|---------------|
|                               | Non-Current            | Current       | Non-Current            | Current       |
| Employee benefits             |                        |               |                        |               |
| - Decommissioning obligations | -                      | -             | -                      | 75.30         |
| - Gratuity                    | 156.48                 | 25.41         | 34.95                  | 0.86          |
| - Leave Encashment            | -                      | 81.96         | -                      | 59.47         |
| - Sick Leave                  | -                      | 13.14         | -                      | 11.07         |
| - Others*                     | -                      | -             | 127.29                 | 4.37          |
| <b>Total provisions</b>       | <b>156.48</b>          | <b>120.51</b> | <b>162.24</b>          | <b>151.07</b> |

\*Reversal of provision for discontinuance of Post-retirement medical benefit plan w.e.f. 1st January, 2026.

### (i) Movements in provisions

Movements in provision during the financial year, are set out below:

| Particulars                          | Decommissioning obligations |
|--------------------------------------|-----------------------------|
| As at 1st April, 2024                | 75.30                       |
| Charged/(credited) to profit or loss |                             |
| - additions/Adjustment               | -                           |
| <b>As at 31st March, 2025</b>        | <b>75.30</b>                |
| Charged/(credited) to profit or loss | -                           |
| - additions/Adjustment               | (75.30)                     |
| <b>As at 31st March, 2026</b>        | <b>-</b>                    |

### (ii) Leave Obligations

The Company has implemented a leave policy which is effective from 1st April 2025.

### (iii) Gratuity

The company operates a Gratuity Plan through a trust, employees who have completed minimum five years of service (for fixed term or contractual employees, one year of service) is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972, read with the Code on Social Security, 2020. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability but maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| Particulars                                                   | Present value of obligation | Fair value of plan assets | Net amount    |
|---------------------------------------------------------------|-----------------------------|---------------------------|---------------|
| <b>1st April, 2025</b>                                        | <b>203.07</b>               | <b>167.27</b>             | <b>35.80</b>  |
| Current service cost                                          | 37.18                       | -                         | 37.18         |
| Interest expense/(income)                                     | 10.62                       | 9.13                      | 1.49          |
| Past Service Cost Because Of New Service Code (Refer Note 40) | 67.58                       | -                         | 67.58         |
| <b>Total amount recognised in Profit and Loss</b>             | <b>115.38</b>               | <b>9.13</b>               | <b>106.25</b> |
| <i>Remeasurements</i>                                         |                             |                           | -             |
| - Return on plan assets                                       | -                           | 3.61                      | (3.61)        |
| - Due to financial assumptions                                | 20.30                       | -                         | 20.30         |
| - Due to experience adjustments                               | 49.32                       | -                         | 49.32         |
| <b>Total amount recognised in other comprehensive income</b>  | <b>69.62</b>                | <b>3.61</b>               | <b>66.01</b>  |
| Employer contributions                                        | -                           | 26.18                     | (26.18)       |
| Benefit payments                                              | (81.84)                     | (81.84)                   | -             |
| <b>31st March, 2026</b>                                       | <b>306.23</b>               | <b>124.34</b>             | <b>181.89</b> |

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

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

| Particulars                                                  | Present value of obligation | Fair value of plan assets | Net amount   |
|--------------------------------------------------------------|-----------------------------|---------------------------|--------------|
| <b>1st April, 2024</b>                                       | <b>204.85</b>               | <b>173.57</b>             | <b>31.28</b> |
| Current service cost                                         | 17.64                       | -                         | 17.64        |
| Interest expense/(income)                                    | 13.04                       | 11.62                     | 1.42         |
| <b>Total amount recognised in Profit and Loss</b>            | <b>30.67</b>                | <b>11.62</b>              | <b>19.06</b> |
| <i>Remeasurements</i>                                        |                             |                           | -            |
| - Return on plan assets                                      | -                           | 2.01                      | (2.01)       |
| - Due to financial assumptions                               | 22.94                       | -                         | 22.94        |
| - Due to experience adjustments                              | (12.93)                     | -                         | (12.93)      |
| <b>Total amount recognised in other comprehensive income</b> | <b>10.01</b>                | <b>2.01</b>               | <b>8.00</b>  |
| Employer contributions                                       | -                           | 22.53                     | (22.53)      |
| Benefit payments                                             | (42.46)                     | (42.46)                   | -            |
| <b>31st March, 2025</b>                                      | <b>203.07</b>               | <b>167.27</b>             | <b>35.80</b> |

The net liability disclosed above relates to funded plan:

| Particulars                         | Year ended 31st March, 2026 | Year ended 31st March, 2025 |
|-------------------------------------|-----------------------------|-----------------------------|
| Present value of funded obligations | 306.23                      | 203.07                      |
| Fair value of plan assets           | 124.34                      | 167.27                      |
| Deficit of funded plans             | 181.89                      | 35.80                       |

The significant actuarial assumptions used were as follows:

| Particulars                    | Year ended 31st March, 2026                                                          | Year ended 31st March, 2025 |
|--------------------------------|--------------------------------------------------------------------------------------|-----------------------------|
| Discount rate                  | 7.23%                                                                                | 6.55%                       |
| Salary escalation              | 4.00%                                                                                | 4.00%                       |
| Expected return on plan assets | 7.23%                                                                                | 6.55%                       |
| Withdrawal rate                | 1.00-8.00%                                                                           | 1.00-8.00%                  |
| Mortality rate                 | In accordance with standard table Indian Assured Lives Mortality (2012-14) ultimatea |                             |

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is:

| Assumption          | Increase/ (Decrease) | Assumption Rate | Amount of increase/ (decrease) in defined benefit obligations as at March 31, 2026 |
|---------------------|----------------------|-----------------|------------------------------------------------------------------------------------|
| Under Base Scenario | -                    | -               | 306.23                                                                             |
| Discount rate       | Increase by          | 1%              | 291.55                                                                             |
| Discount rate       | Decrease by          | 1%              | 322.60                                                                             |
| Salary escalation   | Increase by          | 1%              | 321.13                                                                             |
| Salary escalation   | Decrease by          | 1%              | 292.68                                                                             |
| Withdrawal rate     | Increase by          | 1%              | 308.67                                                                             |
| Withdrawal rate     | Decrease by          | 1%              | 303.49                                                                             |



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

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

### Note 14: Provisions (Contd.)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The plan liabilities are calculated using a discount rate set with reference to government bonds. If the plan assets underperform this yield, this will create a deficit. The plan asset investments is with the Life Insurance Corporation of India which administers the fund. The investments are expected to earn a return in excess of the discount rate and reduce plan deficit.

The maturity profile of gratuity liability is as follows:

| Year       | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|------------|---------------------------|---------------------------|
| 2026-27    | 42.79                     | 4.90                      |
| 2027-28    | 42.05                     | 47.64                     |
| 2028-29    | 29.36                     | 20.82                     |
| 2029-30    | 32.20                     | 16.05                     |
| 2030-31    | 31.58                     | 15.77                     |
| Thereafter | 54.63                     | 46.90                     |

The weighted average duration of the defined benefit obligation is 4.06 years (March 31, 2025 - 4.34 years). The expected contribution by the Company during the financial year 2026-27 would be Rs. 40.73 Lakhs

#### (iv) Provident fund

The Company maintained a Trust till 31st March 2024 for depositing employees' provident fund contributions. However, with effect from 1st April 2024, the Employees' Provident Fund Organisation (EPFO) issued a notice withdrawing the exemption granted to the Trust. Accordingly, the Company has commenced depositing the provident fund contributions directly with the Regional Provident Fund Office during the current financial year. The balance lying with the Trust is in the process of being transferred to the Regional Provident Fund Authorities.

The company contributed Rs. 79.23 Lakhs and Rs. 77.71 Lakhs during the years ended 31st March, 2026 and 31st March, 2025, respectively, and the same has been recognised in the Statement of Profit and Loss under the head "Employee Benefit Expenses".

#### Risks arising from defined benefit obligations

The defined benefit obligation plans typically expose the Company to actuarial risks i.e. investment risk, interest risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:** A decrease in bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.

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

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

### Note 15: Revenue from operations

| Particulars                                         | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------------|---------------------------|---------------------------|
| Operating Revenue                                   |                           |                           |
| Revenue from Construction Contracts (Refer Note 33) | 504.08                    | 3,870.35                  |
| Sale of Goods and Services                          | 6,811.27                  | 6,622.01                  |
| <b>Other Operating Revenue</b>                      |                           |                           |
| Sale of Scarp                                       | 35.71                     | -                         |
| <b>Total Revenue from Operations</b>                | <b>7,351.06</b>           | <b>10,492.36</b>          |

### Note 16: Other Income

#### (a) Other Income

| Particulars                                                                | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------------------------------------------|---------------------------|---------------------------|
| Interest income                                                            | 112.34                    | 85.21                     |
| Rent                                                                       | 0.94                      | 0.95                      |
| Net gain on financial assets measured at fair value through profit or loss | 0.46                      | 4.65                      |
| Miscellaneous                                                              | 2.30                      | -                         |
| <b>Total Other Income</b>                                                  | <b>116.04</b>             | <b>90.81</b>              |

### Note 17: Cost of materials consumed

| Particulars                                                       | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------------------------------------|---------------------------|---------------------------|
| Raw materials at the beginning of the year                        | 22.38                     | 37.12                     |
| Add: Purchases                                                    | 13.90                     | 64.63                     |
| Less: Provision on Slow Moving And Obsolete Items (Refer Note 42) | (23.45)                   | -                         |
| Raw material at the end of the year                               | -                         | (22.38)                   |
| <b>Total cost of raw materials consumed</b>                       | <b>12.83</b>              | <b>79.37</b>              |
| Add: Consumption of bought out components                         | 1,627.25                  | 1,341.44                  |
| <b>Total cost of materials consumed</b>                           | <b>1,640.08</b>           | <b>1,420.81</b>           |

### Note 18: Employee benefits expense

| Particulars                                               | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------------------|---------------------------|---------------------------|
| Salaries, wages and bonus                                 | 2,114.52                  | 2,249.34                  |
| Contribution to provident and other funds (Refer note 14) | 132.15                    | 163.88                    |
| Workmen and staff welfare expenses                        | 88.23                     | 98.14                     |
| <b>Total Employee Benefit Expense</b>                     | <b>2,334.90</b>           | <b>2,511.36</b>           |

### Note 19: Finance costs

| Particulars                                                                | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------------------------------------------|---------------------------|---------------------------|
| Interest on financial instruments not at fair value through profit or loss | 22,209.00                 | 84,825.44                 |
| Interest on Lease Liability                                                | 33.91                     | 24.93                     |
| <b>Total Finance Costs</b>                                                 | <b>22,242.91</b>          | <b>84,850.37</b>          |



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

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

### Note 20: Depreciation and Amortisation Expense

| Particulars                                        | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------------------|---------------------------|---------------------------|
| Depreciation on property, plant and equipment      | 141.08                    | 209.30                    |
| Depreciation on Right of Use Assets                | 101.02                    | 82.32                     |
| Amortisation on intangible assets                  | 4.99                      | 4.99                      |
| <b>Total Depreciation and Amortisation Expense</b> | <b>247.09</b>             | <b>296.61</b>             |

### Note 21: Other Expenses

| Particulars                                                                    | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|--------------------------------------------------------------------------------|---------------------------|---------------------------|
| Power, Electricity & Fuel                                                      | 48.01                     | 116.62                    |
| Rent                                                                           | 133.35                    | 133.59                    |
| <b>Insurance</b>                                                               | <b>73.30</b>              | <b>88.14</b>              |
| Rates & Taxes                                                                  | 37.31                     | 34.84                     |
| Bank Charges                                                                   | 201.06                    | 520.89                    |
| Cartage & Freight                                                              | 37.52                     | 13.73                     |
| Repairs and Maintenance                                                        | 165.24                    | 208.51                    |
| Travelling and Conveyance                                                      | 260.51                    | 334.43                    |
| Director Sitting Fees                                                          | 28.70                     | 12.90                     |
| Professional Services                                                          | 374.58                    | 299.81                    |
| Legal Fees                                                                     | 152.60                    | 242.17                    |
| Bank Guarantee Evoked                                                          | 97.56                     | -                         |
| Claim Recoverable Written Off (Net of Reversal of ECL)                         | 2,662.06                  | 251.40                    |
| Capital Work in Progress written off                                           | -                         | 462.62                    |
| Balances with Government authorities written off                               | 7,726.12                  | -                         |
| Loss on disposal of Property Plant and Equipment                               | 679.97                    | -                         |
| Bad Debts Written off                                                          | 42,276.36                 | 2,481.67                  |
| Provision for Expected Credit Loss on Trade Receivables and due from customers | (7,436.08)                | (11,091.18)               |
| Provision for Bad & Doubtful Debtors (Net of Reversal)                         | (26,430.08)               | 45,972.37                 |
| Investment in Subsidiaries written off                                         | 2,707.87                  | -                         |
| Provision for Investment in subsidiary (Net of Reversal)                       | (2,707.87)                | -                         |
| Loans and Advances written off                                                 | 1,425.12                  | -                         |
| Provision for Loans and Advances                                               | 413.62                    | 24,995.04                 |
| Provision for Slow moving Stock                                                | 23.45                     | -                         |
| Provision for Claims Recoverable                                               | -                         | 17,648.25                 |
| Provision for contingency                                                      | 2,000.00                  | -                         |
| Provision for Doubtful Security Deposits                                       | 658.68                    | -                         |
| Provision for Future Foreseeable Losses in Construction Contracts              | (6,198.58)                | 3,239.20                  |
| Payment to Auditors (Refer Note No. 21 (a))                                    | 50.48                     | 48.70                     |
| CIRP Expenses (Refer Note No. 21 (b))                                          | -                         | 32.16                     |
| Net Foreign Exchange (Gain)/ Loss                                              | 41.30                     | 34.56                     |
| Miscellaneous Expenses                                                         | 87.34                     | 103.92                    |
| <b>Total other expenses</b>                                                    | <b>19,589.50</b>          | <b>86,184.34</b>          |

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

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

### Note 21(a): Details of payments to auditors

| Particulars                       | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------|---------------------------|---------------------------|
| <b>Payment to auditors</b>        |                           |                           |
| Audit fee                         | 35.00                     | 35.00                     |
| For Limited Review                | 12.00                     | 12.00                     |
| For other services                | 3.48                      | 1.70                      |
| <b>Total payments to auditors</b> | <b>50.48</b>              | <b>48.70</b>              |

### Note 21(b): Details of CIRP Expenses

| Particulars                | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------|---------------------------|---------------------------|
| <b>CIRP Expense</b>        |                           |                           |
| Professional Fee           | -                         | 22.47                     |
| Legal Fee                  | -                         | 9.69                      |
| <b>Total CIRP Expenses</b> | <b>-</b>                  | <b>32.16</b>              |

### Note 22: Exceptional Item

| Particulars                                                      | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|------------------------------------------------------------------|---------------------------|---------------------------|
| Extinguishment of Government Claims and Statutory Dues           | (208.99)                  | (233.67)                  |
| Extinguishment of Interest of Financial Creditor                 | 3,69,661.78               | -                         |
| Extinguishment of liability of preference dividend and its taxes | 540.26                    | -                         |
| Extinguishment of Operational Creditors                          | 18,408.56                 | -                         |
| Extinguishment of Other Claims                                   | (21.56)                   | -                         |
| Extinguishment of Workmen & Employee Dues                        | 763.68                    | -                         |
| <b>Total Exceptional Item</b>                                    | <b>3,89,143.73</b>        | <b>(233.67)</b>           |

### Note 23: Income tax expenses

#### (a) Income tax expense

| Particulars                         | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------|---------------------------|---------------------------|
| Current tax                         |                           |                           |
| Current tax on profits for the year | -                         | -                         |
| Income Tax For Earlier Year         | (221.65)                  | -                         |
| <b>Total current tax expense</b>    | <b>(221.65)</b>           | <b>-</b>                  |
| <b>Income Tax Expense</b>           |                           |                           |
| <b>- through Profit and Loss</b>    | <b>(221.65)</b>           | <b>-</b>                  |

The effective tax rate and the applicable tax rates for recognition of deferred tax income is same. The applicable tax rate is based on the enacted tax rates.



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

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

### (b) Reconciliation of tax expenses and the accounting profit multiplied by applicable rate :-

| Particulars                                                           | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------------------------------|---------------------------|---------------------------|
| Profit/(Loss) before Income Tax Expense                               | 3,44,998.08               | (1,71,608.57)             |
| Other Comprehensive Income                                            | (61.50)                   | 39.87                     |
| <b>Total Taxable Income</b>                                           | <b>3,44,936.58</b>        | <b>(1,71,568.70)</b>      |
| <b>Tax at the Indian tax rate of 26% (2024-25 — 26%)</b>              |                           |                           |
| Add : Change in carrying value in books                               | -                         | -                         |
| Add : Deferred Tax Asset created for Unabsorbed business loss         | -                         | -                         |
| Add: Others                                                           | (221.65)                  | -                         |
| <b>Other Comprehensive Income</b>                                     |                           |                           |
| Tax relating to item that will not be reclassified to Profit and Loss | -                         | -                         |
| <b>Income Tax Expense</b>                                             | <b>(221.65)</b>           | <b>-</b>                  |

### Note 24: Capital Management

#### Capital Management

The Company strives to manage its capital efficiently with a view to safeguard its ability to continue as a going concern and to bring returns to its shareholders and stakeholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day to day needs. The amount of capital in proportion to risk is considered for capital structure management in light of changes in economic conditions and the risk characteristics of the underlying assets. For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants. However, challenges were faced by the Company over past few years.

Pursuant to the implementation of the Approved Resolution Plan, the Company has undertaken a significant restructuring of its capital and liabilities. The Plan has resulted in the settlement and/or extinguishment of certain financial obligations and has strengthened the Company's capital base. The management believes that the implementation of the Resolution Plan has improved the overall financial position of the Company and provides a foundation for sustainable operations and future growth.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future developments and growth of its business.

#### Debt to Capital Ratio

| Particulars                        | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|------------------------------------|---------------------------|---------------------------|
| <b>Capital</b>                     |                           |                           |
| Share Capital                      | 3,333.33                  | 3,333.33                  |
| Other Equity                       | 53,736.11                 | (5,92,560.71)             |
| <b>Total (A)</b>                   | <b>57,069.44</b>          | <b>(5,89,227.37)</b>      |
| <b>Borrowing</b>                   |                           |                           |
| Non-Current Borrowing              | 110.67                    | 176.69                    |
| Current Borrowing                  | 9,483.95                  | 3,09,423.86               |
| <b>Total (B)</b>                   | <b>9,594.62</b>           | <b>3,09,600.55</b>        |
| <b>Debt to Capital Ratio (B/A)</b> | <b>0.17</b>               | <b>(0.53)</b>             |

### Note 25: Risk Management

#### The Company's activities are exposed to credit risk, liquidity risk and market risk.

The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the

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

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

Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### (A) Credit Risk

Credit risk arises from Cash and Cash Equivalents, other bank balances, investments and other financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and dues from customers.

#### (i) Credit Risk Management

The Company assigns the following credit ratings to each class of financial assets based on assumptions, inputs and factors specific to the class of financial assets.

VL1: High-quality assets, negligible credit risk

VL2: Quality assets, low credit risk

VL3: Standard assets, moderate credit risk

VL4: Substandard assets, relatively high credit risk

VL5: Low quality assets, very high credit risk

VL6: Doubtful assets, credit impaired

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. Financial Assets are written off when there is no reasonable expectations of recovery, such as debtor failing to engage in a repayment plan with the Company or where payer/borrower does not have financial capability to repay its debts. Where loans or receivables have been written off, the Company continues to engage in enforcement activities to attempt to recover the receivable dues.

#### (ii) Provision for Expected Credit Losses

The Company provides for expected credit loss of trade receivables, due from customers and other financial assets based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Whenever required, past trend is adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the historical data is based, and to remove the effects of the conditions in the historical period that are not relevant to the future contractual cash flows.

### Year ended 31st March, 2026

#### (a) Expected Credit Loss for Loans, Investments, Expenses Recoverable and Other Financial Assets

| Particulars                                                |                                                                                                  | Asset group         | Internal credit rating | Estimated gross carrying amount at default | Expected Credit Losses | Carrying amount net of impairment provision |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------|------------------------|--------------------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 month Expected Credit Losses | Financial Assets for which credit risk has not increased significantly since initial recognition | Loans*              | VL6                    | 1,744.38                                   | 1,744.38               | -                                           |
|                                                            |                                                                                                  | Claims Recoverable* | VL6                    | 35,182.96                                  | 35,182.96              | -                                           |

\*During the current year, the management reassessed the recoverability of the aforesaid financial assets and based on such assessment, a provision of Rs. 1,744.38 Lakhs is made against Loans and Claim Recoverable of Rs. 2,662.06 Lakhs (net of ECL) is written off



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

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

### (b) Expected Credit Loss for Trade Receivables and Due from Customers under simplified approach

| Particulars                                       |                                                             | Internal credit rating | Due from customer | Trade Receivables |
|---------------------------------------------------|-------------------------------------------------------------|------------------------|-------------------|-------------------|
| Gross Carrying Amount                             |                                                             |                        | -                 | 64,219.78         |
| Expected Credit Losses (Loss allowance provision) | Loss allowance measured at life time Expected Credit Losses | VL3                    | -                 | (47,644.32)       |
| Carrying amount (net of Impairment)               |                                                             |                        | -                 | 16,575.46         |

### Year ended 31st March, 2025

### (a) Expected Credit Loss for Loans, Investments, Expenses Recoverable and Other Financial Assets

| Particulars                                                 |                                                                                                  | Asset group         | Internal credit rating | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------|------------------------|--------------------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 month Expected Credit Losses  | Financial assets for which credit risk has not increased significantly since initial recognition | Loans               | VL3                    | 3,169.50                                   | 1,425.12               | 1,744.38                                    |
| Loss allowance measured at life-time Expected Credit Losses | Financial assets for which credit risk has increased significantly and credit impaired           | Claims Recoverable* | VL3                    | 38,989.28                                  | 36,160.56              | 2,828.72                                    |

\*During the previous year, the management has written off claims recoverable of Rs. 251.40 lakhs

### Note 25: Risk Management (Contd.)

### (b) Expected Credit Loss for Trade Receivables and Due from Customers under simplified approach

| Particulars                                       |                                                             | Internal credit rating | Due from customer | Trade Receivables |
|---------------------------------------------------|-------------------------------------------------------------|------------------------|-------------------|-------------------|
| Gross Carrying Amount                             |                                                             |                        | 4,134.30          | 1,12,770.69       |
| Expected Credit Losses (Loss allowance provision) | Loss allowance measured at life-time expected credit losses | VL3                    | (2,590.51)        | (78,898.21)       |
| Carrying Amount (net of Impairment)               |                                                             |                        | 1,543.79          | 33,872.48         |

### (iii) Reconciliation of Loss Allowance Provision - Trade Receivables & Due from Customers (under simplified approach)

| Particulars                                  | Internal credit rating | Due from customer | Trade Receivables |
|----------------------------------------------|------------------------|-------------------|-------------------|
| Loss Allowance as on 31st March, 2024        | 44,038.76              | 2,590.51          | 46,629.27         |
| Changes in Loss Allowance                    |                        |                   |                   |
| Provision/(reversal) of loss allowance       | 34,859.45              | -                 | 34,859.45         |
| Loss Allowance as on 31st March, 2025        | 78,898.21              | 2,590.51          | 81,488.72         |
| <b>Changes in Loss Allowance</b>             |                        |                   |                   |
| Provision/(reversal) of loss allowance       | 11,022.47              | (2,590.51)        | 8,431.96          |
| Written off as bad debts                     | (42,276.36)            | -                 | (42,276.36)       |
| <b>Loss Allowance as on 31st March, 2026</b> | <b>47,644.32</b>       | <b>-</b>          | <b>47,644.32</b>  |

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

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

## Significant Estimates and Judgements

### Impairment of Financial Assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, industry practices, existing market conditions and business environment as well as forward looking estimates at the end of each reporting period.

### (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close net market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities as below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Maturity of Financial Liability

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual cash flows, balances due within 12 months and more than 12 months.

| Contractual maturities of Financial Liabilities (31st March, 2026) | Carrying Value   | Contractual Cash Flows | Less than 1 Year | 1 - 3 Years  | 3 - 5 Years  | More than 5 Years |
|--------------------------------------------------------------------|------------------|------------------------|------------------|--------------|--------------|-------------------|
| <b>Non Derivatives</b>                                             |                  |                        |                  |              |              |                   |
| Borrowings                                                         | 9,483.95         | 9,483.95               | 9,483.95         | -            | -            | -                 |
| Interest Accrued on borrowings and others                          | 1,156.81         | 1,156.81               | 1,156.81         | -            | -            | -                 |
| Trade Payables                                                     | 2,807.50         | 2,807.50               | 2,807.50         | -            | -            | -                 |
| Employee Benefits payable                                          | 183.26           | 183.26                 | 183.26           | -            | -            | -                 |
| Lease Liability                                                    | 225.50           | 265.78                 | 139.19           | 98.83        | 27.76        | -                 |
| Others                                                             | 8,008.22         | 8,008.22               | 8,008.22         |              |              |                   |
| <b>Total Non Derivative Financial Liabilities</b>                  | <b>21,865.24</b> | <b>21,905.52</b>       | <b>21,778.93</b> | <b>98.83</b> | <b>27.76</b> | <b>-</b>          |

| Contractual maturities of Financial Liabilities (31st March, 2025) | Carrying Value     | Contractual Cash Flows | Less than 1 Year   | 1 - 3 Years   | 3 - 5 Years | More than 5 Years |
|--------------------------------------------------------------------|--------------------|------------------------|--------------------|---------------|-------------|-------------------|
| <b>Non Derivatives</b>                                             |                    |                        |                    |               |             |                   |
| Borrowings                                                         | 3,14,875.29        | 3,14,875.29            | 3,14,875.29        | -             | -           | -                 |
| Interest Accrued on borrowings and others                          | 3,48,709.12        | 3,48,709.12            | 3,48,709.12        | -             | -           | -                 |
| Trade Payables                                                     | 23,488.19          | 23,488.19              | 23,488.19          | -             | -           | -                 |
| Employee Benefits payable                                          | 718.80             | 718.80                 | 718.80             | -             | -           | -                 |
| Lease Liability                                                    | 262.82             | 315.08                 | 117.73             | 197.35        | -           | -                 |
| Security Deposits                                                  | 90.29              | 90.29                  | 90.29              | -             | -           | -                 |
| Dividend Accrued on Preference Shares                              | 448.50             | 448.50                 | 448.50             | -             | -           | -                 |
| Others                                                             | 14,133.09          | 14,133.09              | 14,133.09          |               |             |                   |
| <b>Total Non Derivative Financial Liabilities</b>                  | <b>7,02,726.10</b> | <b>7,02,778.36</b>     | <b>7,02,581.01</b> | <b>197.35</b> | <b>-</b>    | <b>-</b>          |



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

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

## Note 25: Risk Management (Contd.)

### (C) Market Risk

#### (i) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the USD and EUR. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Rupees). The risk is measured through the expected foreign currency cash flows based on the Company's receipt and repayment schedule for recognised assets and liabilities denominated in a currency other than "Rupees". The objective of the hedging is to minimize the volatility of the INR cash flows of such recognised assets and liabilities.

#### (a) Foreign Currency Risk Exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. Lakhs is as follow:

| Particulars                                                | As at 31st March, 2026 |          |     | As at 31st March, 2025 |                 |               |
|------------------------------------------------------------|------------------------|----------|-----|------------------------|-----------------|---------------|
|                                                            | USD                    | EUR      | ZAR | USD                    | EUR             | ZAR           |
| <b>Financial Assets</b>                                    |                        |          |     |                        |                 |               |
| Trade Receivables                                          | -                      | 628.57   | -   | 25.54                  | 570.34          | -             |
| Less: Provision on doubtful receivables                    | -                      | (628.57) | -   | -                      | -               | -             |
| Loans                                                      | -                      | -        | -   | -                      | -               | 65.58         |
| Other Receivables                                          | -                      | -        | -   | 5.73                   | -               | -             |
| Cash and Cash Equivalents                                  | -                      | -        | -   | 4.41                   | -               | 1.33          |
| <b>Net Exposure to Foreign Currency Risk (Assets)</b>      | -                      | -        | -   | <b>35.68</b>           | <b>570.34</b>   | <b>66.91</b>  |
| <b>Financial Liabilities</b>                               |                        |          |     |                        |                 |               |
| Foreign Currency Loan                                      | -                      | -        | -   | 567.77                 | -               | -             |
| Borrowings                                                 | -                      | -        | -   | -                      | -               | 312.43        |
| Trade Payables                                             | -                      | -        | -   | 362.48                 | 1,226.70        | 19.97         |
| Advance from Customers                                     | -                      | -        | -   | -                      | -               | -             |
| Payable to Subsidiaries                                    | -                      | -        | -   | -                      | -               | -             |
| Derivative liabilities                                     | -                      | -        | -   | -                      | -               | -             |
| Foreign exchange forward contracts to buy foreign currency | -                      | -        | -   | 0.70                   | -               | -             |
| <b>Net Exposure to Foreign Currency Risk (Liabilities)</b> | -                      | -        | -   | <b>930.95</b>          | <b>1,226.70</b> | <b>332.40</b> |

During the year, certain foreign currency liabilities were written back and/or extinguished in line with the approved resolution plan by the Company. Accordingly, the foreign currency exposure as at the reporting date is not comparable with the previous year.

#### (b) Sensitivity:

##### Impact on Profit

| Particulars                                 | Increase/(Decrease) in profit before tax |                  |
|---------------------------------------------|------------------------------------------|------------------|
|                                             | 31st March, 2026                         | 31st March, 2025 |
| <b>USD sensitivity</b>                      |                                          |                  |
| INR/USD -Increase by 5% (31 March 2025-6%)* | -                                        | (44.76)          |
| INR/USD -Decrease by 5% (31 March 2025-6%)* | -                                        | 44.76            |
| <b>EUR sensitivity</b>                      |                                          |                  |
| INR/EUR-Increase by 5% (31 March 2025-6%)*  | -                                        | 32.82            |
| INR/EUR-Decrease by 5% (31 March 2025-6%)*  | -                                        | (32.82)          |
| <b>ZAR sensitivity</b>                      |                                          |                  |
| INR/ZAR-Increase by 5% (31 March 2025-6%)*  | -                                        | 13.27            |
| INR/ZAR- Decrease by 5% (31 March 2025-6%)* | -                                        | (13.27)          |

\* Holding all other variables constant

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

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

### (ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During the year ended 31st March, 2025, the Company's borrowings at variable rate were mainly denominated in INR. As at 31st March 2026, following the payment and/or extinguishment of financial liabilities in line with the approved resolution plan (Refer Note 41 and 42), the Company does not have any borrowings carrying variable interest rates and, accordingly, is not exposed to cash flow and interest rate risk.

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 the end of reporting period are as follows:-

| Particulars              | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|--------------------------|---------------------------|---------------------------|
| Variable Rate Borrowings | -                         | 5,06,385.89               |
| Fixed Rate Borrowings    | 10,640.76                 | 1,51,490.73               |
| <b>Total borrowings</b>  | <b>10,640.76</b>          | <b>6,57,876.62</b>        |

\*The amounts includes interest accrued on related borrowings

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars                                           | Increase/ (Decrease) in Profit<br>before Tax |                           |
|-------------------------------------------------------|----------------------------------------------|---------------------------|
|                                                       | As at<br>31st March, 2026                    | As at<br>31st March, 2025 |
| Interest rates increase by 50 basis points (50 bps) * | -                                            | (2,531.93)                |
| Interest rates decrease by 50 basis points (50 bps)*  | -                                            | 2,531.93                  |

\* Holding all other variables constant

### Note 26: Fair Value Measurements

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March, 2026 and 31st March, 2025.

| Particulars               | 31st March, 2026 |       |                | 31st March, 2025 |       |                |
|---------------------------|------------------|-------|----------------|------------------|-------|----------------|
|                           | FVTPL            | FVOCI | Amortised Cost | FVTPL            | FVOCI | Amortised Cost |
| <b>Financial Assets</b>   |                  |       |                |                  |       |                |
| Investments               |                  |       |                |                  |       |                |
| - Equity Instruments      | 31.97            | -     | 9.94           | 36.92            | -     | 9.94           |
| - Mutual Funds            | 99.29            | -     | -              | 93.87            | -     | -              |
| Trade Receivables         | -                | -     | 16,575.46      | -                | -     | 33,872.48      |
| Loans                     | -                | -     | -              | -                | -     | 1,744.38       |
| Cash and Cash Equivalents | -                | -     | 355.90         | -                | -     | 175.51         |
| Other Bank balances       | -                | -     | 212.10         | -                | -     | 1,882.09       |
| Advance to employees      | -                | -     | 1.11           | -                | -     | 1.87           |
| Security Deposits         | -                | -     | 4,926.06       | -                | -     | 5,504.04       |
| Due from Customers        | -                | -     | -              | -                | -     | 1,543.79       |
| Deposit with Bank         | -                | -     | -              | -                | -     | 17.39          |



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

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

| Particulars                               | 31st March, 2026 |          |                  | 31st March, 2025 |          |                    |
|-------------------------------------------|------------------|----------|------------------|------------------|----------|--------------------|
|                                           | FVTPL            | FVOCI    | Amortised Cost   | FVTPL            | FVOCI    | Amortised Cost     |
| Claims Recoverable                        | -                | -        | -                | -                | -        | 2,828.72           |
| <b>Total Financial Assets</b>             | <b>131.26</b>    | <b>-</b> | <b>22,080.57</b> | <b>130.79</b>    | <b>-</b> | <b>47,580.21</b>   |
| <b>Financial Liabilities</b>              |                  |          |                  |                  |          |                    |
| Borrowings                                | -                | -        | 9,483.95         | -                | -        | 3,14,875.29        |
| Interest Accrued on borrowings and others | -                | -        | 1,156.81         | -                | -        | 3,48,709.12        |
| Trade Payables                            | -                | -        | 2,807.50         | -                | -        | 23,488.19          |
| Employee Benefits payable                 | -                | -        | 183.26           | -                | -        | 718.80             |
| Lease Liability                           | -                | -        | 225.50           | -                | -        | 262.82             |
| Security Deposits                         | -                | -        | -                | -                | -        | 90.29              |
| Dividend Accrued on Preference Shares     | -                | -        | -                | -                | -        | 448.50             |
| Others                                    | -                | -        | 8,008.22         | -                | -        | 14,133.09          |
| <b>Total Financial Liabilities</b>        | <b>-</b>         | <b>-</b> | <b>21,865.24</b> | <b>-</b>         | <b>-</b> | <b>7,02,726.10</b> |

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its Financial Instruments into the three levels prescribed under the Indian Accounting Standards. An explanation of each level follows underneath the table.

| Financial Assets and Liabilities measured at fair value - recurring fair value measurements | Level 1      | Level 2      | Level 3  | Total         |
|---------------------------------------------------------------------------------------------|--------------|--------------|----------|---------------|
| <b>As at 31st March, 2026</b>                                                               |              |              |          |               |
| <b>Financial Assets</b>                                                                     |              |              |          |               |
| Financial instruments at FVTPL                                                              |              |              |          |               |
| Listed Equity Investments                                                                   | 31.97        | -            | -        | 31.97         |
| Mutual Funds                                                                                | -            | 99.29        | -        | 99.29         |
| <b>Total Financial Assets</b>                                                               | <b>31.97</b> | <b>99.29</b> | <b>-</b> | <b>131.26</b> |
| Financial Assets and Liabilities measured at fair value - recurring fair value measurements | Level 1      | Level 2      | Level 3  | Total         |
| <b>As at 31st March, 2025</b>                                                               |              |              |          |               |
| <b>Financial Assets</b>                                                                     |              |              |          |               |
| Financial Instruments at FVTPL                                                              |              |              |          |               |
| Listed Equity Investments                                                                   | 36.92        | -            | -        | 36.92         |
| Mutual Funds                                                                                | -            | 93.87        | -        | 93.87         |
| <b>Total Financial Assets</b>                                                               | <b>36.92</b> | <b>93.87</b> | <b>-</b> | <b>130.80</b> |

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

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

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

### (ii) Valuation technique used to determine Fair Value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date

### (iii) Fair value of the Financial Assets and Liabilities measured at Amortised Cost

The Management considers that the carrying amount of financial assets and liabilities recognised in the financial statements and carried at amortised cost approximates their fair value as on 31st March, 2026 and 31st March, 2025. Initial recognition of financial assets and liabilities are at fair value with subsequent measurement at amortised cost.

### Note 27: Related Party Disclosures

As required by Ind AS 24, Related Party Disclosures are given below:

#### (a) Holding Company

- (i) Mandal Vyapar Private Limited (SPV of BTL EPC Limited)

#### (b) Subsidiaries

- (i) McNally Bharat Equipments Limited (wholly owned Indian subsidiary)
- (ii) MBE Mineral Technologies Pte Limited, Singapore
- (iii) MBE Minerals Zambia Limited, Zambia
- (iv) McNally Bharat Engineering (SA) Proprietary Limited

#### (c) Joint Venture (MBECL is Lead Partner for participating in tenders)

- (i) EMC MBE Contracting Company LLC
- (ii) McNally- Trolex
- (iii) McNally- AML
- (iv) McNally- Trolex- Kilburn



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

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

### (d) Post employment benefit plan of the Company

- (i) McNally Bharat Executive Staff Gratuity Fund
- (ii) McNally Bharat Employees Provident Fund

### (e) Key Managerial Personnel

- (i) Mr. Partha Sarathi Bhattacharyya - Non executive Chairman and Independent Director (Appointed w.e.f. 6th January, 2025)
- (ii) Mr. Pradip Kumar Bishnoi - Independent Director (Appointed w.e.f. 6th January, 2025)
- (iii) Mr. Anil Kumar Jha - Independent Director (Appointed w.e.f. 6th January, 2025)
- (iv) Mrs. Anuradha Gupta - Independent Director (Appointed w.e.f. 14th February, 2025)
- (v) Mr. Mehar Chand Thakur - Independent Director (Appointed w.e.f. 22nd October, 2025)
- (vi) Mrs. Poonam Singhania - Non Executive Non-Independent Director (Appointed w.e.f. 1st October, 2025)
- (viii) Mr. Debidas Datta - Independent Director (Appointed w.e.f. 1st December, 2025)
- (ix) Mr. Rajendra Mohan Mathur - Chief Executive Officer (Appointed w.e.f. 21st December, 2024)
- (x) Mr. Rupayan Majumdar - Chief Financial Officer (Appointed w.e.f. 5th May, 2025)
- (xi) Mrs Indrani Ray- Company Secretary and Compliance Officer
- (xii) Mr. Pradyuman Baidya - Chief Financial Officer (Retired w.e.f. 10th Decmber, 2024)
- (xiii) Mr. Aditya Khaitan - Chairman (Resigned w.e.f. 6th January, 2025)
- (xiv) Mr. Srinivash Singh - Chief Executive Officer (Resigned w.e.f. 6th January, 2025)
- (xv) Mr. A.K Barman - Independent Director (Resigned w.e.f. 6th January, 2025)
- (xvi) Mr. Nilotpal Roy- Independent Director (Resigned w.e.f. 6th January, 2025)
- (xvii) Ms. Kasturi Roychoudhury - Independent Director (Resigned w.e.f. 6th January, 2025)
- (xviii) Mrs. Arundhati Dhar - Independent Director (Resigned w.e.f. 6th January, 2025)

### The following transactions were carried out with Related Parties in the ordinary course of business:

| Description                | Year Ending     | McNally Bharat Equipments Limited | McNally - Trolex | McNally - AML | McNally - Trolex - Kilburn | Mandal Vyapar Private Limited |
|----------------------------|-----------------|-----------------------------------|------------------|---------------|----------------------------|-------------------------------|
| Sale of Goods/fixed assets | 31st March 2026 | -                                 | -                | -             | -                          | -                             |
|                            | 31st March 2025 | -                                 | 5.34             | 329.16        | 34.18                      | -                             |
| Purchases                  | 31st March 2026 | -                                 | -                | 4.46          | -                          | -                             |
|                            | 31st March 2025 | -                                 | -                | -             | -                          | -                             |
| Interest on Loan           | 31st March 2026 | -                                 | -                | -             | -                          | 1,159.13                      |
|                            | 31st March 2025 | -                                 | -                | -             | -                          | -                             |
| Rendering of Services      | 31st March 2026 | -                                 | -                | -             | -                          | -                             |
|                            | 31st March 2025 | (9.24)                            | -                | -             | -                          | -                             |
| Rent                       | 31st March 2026 | 0.94                              | -                | -             | -                          | -                             |
|                            | 31st March 2025 | 0.94                              | -                | -             | -                          | -                             |

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

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

### Note 27: Related Party Disclosures (Contd.)

#### Balances Outstanding with subsidiaries:-

| Description                                      | As at           | MBE Mineral Technologies Pte Ltd. | MBE Minerals Zambia Limited | McNally Bharat Equipments Limited | McNally Bharat Engg. (S.A.) Proprietary Ltd |
|--------------------------------------------------|-----------------|-----------------------------------|-----------------------------|-----------------------------------|---------------------------------------------|
| Investment at the year end                       | 31st March 2026 | -                                 | -                           | 9.94                              | -                                           |
|                                                  | 31st March 2025 | 2,550.74                          | 4.69                        | 9.94                              | 0.13                                        |
| Provision for impairment in value of investments | 31st March 2026 | -                                 | -                           | -                                 | -                                           |
|                                                  | 31st March 2025 | 2,550.74                          | 4.69                        | -                                 | 0.13                                        |
| Outstanding Receivables/ Loans given             | 31st March 2026 | -                                 | -                           | 4.76                              | -                                           |
|                                                  | 31st March 2025 | -                                 | 1,385.04                    | 5.66                              | 40.08                                       |
| Allowance for doubtful receivables               | 31st March 2026 | -                                 | -                           | -                                 | -                                           |
|                                                  | 31st March 2025 | -                                 | 1,385.04                    | -                                 | 40.08                                       |
| Advances Received                                | 31st March 2026 | -                                 | -                           | 57.45                             | -                                           |
|                                                  | 31st March 2025 | -                                 | -                           | 32.51                             | -                                           |

| Description                                      | As at           | EMC MBE Contracting Co LLC | McNally - Trolex | McNally - AML | McNally - Trolex - Kilburn | Mandal Vyapar Private Limited |
|--------------------------------------------------|-----------------|----------------------------|------------------|---------------|----------------------------|-------------------------------|
| Interest outstanding on loan (Net of TDS)        | 31st March 2026 | -                          | -                | -             | -                          | 1,156.81                      |
|                                                  | 31st March 2025 | -                          | -                | -             | -                          | -                             |
| Investment at the year end                       | 31st March 2026 | -                          | -                | -             | -                          | -                             |
|                                                  | 31st March 2025 | 152.31                     | -                | -             | -                          | -                             |
| Provision for impairment in value of investments | 31st March 2026 | -                          | -                | -             | -                          | -                             |
|                                                  | 31st March 2025 | 152.31                     | -                | -             | -                          | -                             |
| Outstanding Receivables                          | 31st March 2026 | -                          | 567.02           | 6.16          | 137.70                     | -                             |
|                                                  | 31st March 2025 | 67.06                      | 639.61           | 286.22        | 466.71                     | -                             |
| Allowance for doubtful receivables               | 31st March 2026 | -                          | -                | -             | -                          | -                             |
|                                                  | 31st March 2025 | 67.06                      | -                | -             | -                          | -                             |
| Advance Received                                 | 31st March 2026 | -                          | -                | 368.52        | -                          | -                             |
|                                                  | 31st March 2025 | -                          | -                | 290.97        | -                          | -                             |
| Security Deposit                                 | 31st March 2026 | -                          | 625.97           | 2,749.16      | 773.96                     | -                             |
|                                                  | 31st March 2025 | -                          | 625.97           | 2,749.16      | 773.96                     | -                             |
| Loan Outstanding                                 | 31st March 2026 | -                          | -                | -             | -                          | 9,483.95                      |
|                                                  | 31st March 2025 | -                          | -                | -             | -                          | 5,707.78                      |

| Transactions with Key Managerial Personnel | 2025-26      |              |                                            | 2024-25      |              |                                            |
|--------------------------------------------|--------------|--------------|--------------------------------------------|--------------|--------------|--------------------------------------------|
|                                            | Remuneration | Sitting fees | Outstanding Balance payable as at year end | Remuneration | Sitting fees | Outstanding Balance payable as at year end |
| Mr. Partha Sarathi Bhattacharyya           | -            | 6.80         | 1.89                                       | -            | 4.00         | 1.62                                       |
| Mr. Pradip Kumar Bishnoi                   | -            | 6.80         | 1.89                                       | -            | 3.50         | 1.62                                       |
| Mr. Anil Kumar Jha                         | -            | 6.80         | 1.89                                       | -            | 3.50         | 1.62                                       |
| Ms. Anuradha Gupta                         | -            | 4.50         | 1.62                                       | -            | 1.90         | 1.26                                       |
| Mr. Mehar Chand Thakur                     | -            | 1.00         | -                                          | -            | -            | -                                          |
| Mrs. Poonam Singhania                      | -            | 1.50         | 1.03                                       | -            | -            | -                                          |
| Mr. Debidas Datta                          | -            | 1.30         | 1.17                                       | -            | -            | -                                          |



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

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

| Transactions with Key Managerial Personnel | 2025-26      |              |                                            | 2024-25      |              |                                            |
|--------------------------------------------|--------------|--------------|--------------------------------------------|--------------|--------------|--------------------------------------------|
|                                            | Remuneration | Sitting fees | Outstanding Balance payable as at year end | Remuneration | Sitting fees | Outstanding Balance payable as at year end |
| Mr. Rajendra Mohan Mathur                  | 136.02       | -            | 9.68                                       | 34.55        | -            | -                                          |
| Mr. Rupayan Majumdar                       | 49.83        | -            | 2.86                                       | -            | -            | -                                          |
| Mrs. Indrani Ray                           | 40.06        | -            | 2.61                                       | 39.65        | -            | -                                          |
| Mr . Pradyuman Baidya                      | -            | -            | -                                          | 26.16        | -            | -                                          |

- a) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the year towards Post employment benefits as the same are not separately ascertainable for individual personnels.
- b) Transactions with related parties mentioned above are as per terms and contracts approved by the BOD. All transactions disclosed above were done on normal commercial terms and conditions and wherever applicable as per the market rates.

### Details of contribution to post employment benefit plans

| Remuneration includes                        | 2025-26 | 2024-25 |
|----------------------------------------------|---------|---------|
| McNally Bharat Executive Staff Gratuity Fund | 18.46   | 23.62   |

### Note 28: Capital Commitments

There is no capital commitment as at Balance sheet date.

### Note 29: Leases

The Company has leasing arrangements in respect of operating leases for premises. These leasing arrangements which are cancellable in nature are renewable by mutual consent and agreement. The aggregate of such lease rentals on account of short-term leases and low-value assets are charged as rent to the Standalone Statement of Profit and Loss.

### Amount Recognized in the Standalone Statement of Profit and Loss Account and Cash Flow Statement

| Particulars                                                                     | 31st March, 2026 | 31st March, 2025 |
|---------------------------------------------------------------------------------|------------------|------------------|
| <b>Amount Recognized in the Standalone Statement of Profit and Loss Account</b> |                  |                  |
| Depreciation recognized                                                         | 101.02           | 82.32            |
| Interest on lease liabilities                                                   | 33.91            | 24.93            |
| <b>Amount Recognized in the Standalone Cash Flow Statement</b>                  |                  |                  |
| Expenses relating to short-term leases & of low-value assets                    | 133.35           | 133.59           |
| Repayment of Lease liability                                                    | 90.28            | -                |
| Finance cost paid on account of lease liability                                 | 33.91            | 233.46           |

### Details with respect to ROU Asset created for Office Space taken on lease

| Particulars                                                           | 31st March, 2026 | 31st March, 2025 |
|-----------------------------------------------------------------------|------------------|------------------|
| <b>Net Carrying Amount of ROU Assets at the beginning of the year</b> | <b>249.16</b>    | <b>32.49</b>     |
| Add: Additions to Right of Use Assets during the year                 | -                | 298.99           |
| Less: Depreciation recognized                                         | (95.93)          | (82.32)          |
| Modification of lease                                                 | (14.94)          | -                |
| Deletion of Right of Use Assets during the year                       | -                | -                |
| <b>Net Carrying Amount of ROU Assets at the end of the year</b>       | <b>138.29</b>    | <b>249.16</b>    |

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

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

### Details with respect to ROU Asset created for Plant and Equipment taken on lease

| Particulars                                                           | 31st March, 2026 | 31st March, 2025 |
|-----------------------------------------------------------------------|------------------|------------------|
| <b>Net Carrying Amount of ROU Assets at the beginning of the year</b> | -                | -                |
| Add: Additions to Right of Use Assets during the year                 | 67.90            | -                |
| Less : Depreciation recognized                                        | (5.09)           | -                |
| Adjustment due to modification of lease                               | -                | -                |
| Deletion of Right of Use Assets during the year                       | -                | -                |
| <b>Net Carrying Amount of ROU Assets at the end of the year</b>       | <b>62.81</b>     | -                |

### Note 30: Dues to Micro, Small & Medium Enterprises

The amount due to Micro, Small and Medium Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

| Particulars                                                                                                              | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| (i) Principal amount due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end           | 480.76                    | 186.38                    |
| (ii) Interest due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end                  | 39.51                     | 41.03                     |
| (iii) Principal amounts paid to suppliers registered under the MSMED Act, 2006, beyond the appointed day during the year | 933.19                    | 9.33                      |
| (iv) Interest due & payable for principal already paid                                                                   | 22.56                     | -                         |
| (v) Total interest accrued and remaining unpaid at the end of each accounting year                                       | 62.07                     | 338.99                    |
| (vi) Amount of further interest remaining due and payable even in the succeeding years                                   | -                         | -                         |

### Note 31: Contingent Liabilities\*

#### a. The details of Contingent Liabilities are as under:

| Particulars                                                                                                             | As at<br>31st March, 2026        | As at<br>31st March, 2025 |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------|
| Claims against the company not acknowledged as debt*                                                                    | -                                | 46,859.99                 |
| <b>Other money for which the Company is contingently liable:</b>                                                        |                                  |                           |
| Indirect Tax matters relating to Excise Duty, Service Tax, Central Sales Tax, Value added Tax and Goods and Service Tax | -                                | 51,944.21                 |
| Income Tax matter pending                                                                                               | -                                | 5,691.09                  |
| Corporate guarantees given                                                                                              | -                                | 8,000.00                  |
| Bank Guarantees issued by company-Performance, Security and Earnest Money deposit**                                     | 18,604.53                        | 26,216.98                 |
| Liquidated damages relating to contract sales                                                                           | Amount not readily ascertainable |                           |

\*Pursuant to the implementation of the Approved Resolution Plan as stated in Note 41 to the Standalone Financial Statements, all claims, obligations and liabilities pertaining to the period prior to the Effective Date stand dealt with in accordance with the terms of the Approved Resolution Plan. Accordingly, except to the extent specifically provided for under the Approved Resolution Plan, all contingent liabilities existing as on the Effective Date of the Resolution Plan stand extinguished and are no longer enforceable against the Company.

\*\*Out of the above outstanding bank guarantees, bank guarantees amounting to Rs. 15,021.96 lakhs are protected by the SRA under the terms of the Approved Resolution Plan.



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

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

Details of Corporate Guarantees given covered under Section 186(4) of the Companies Act, 2013:-

| Particulars                                                 | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------------------------------|---------------------------|---------------------------|
| MBE Coal & Mineral India Private Limited (Banking Facility) | -                         | 3,000.00                  |
| McNally Sayaji Engineering Limited (ECB & Rupee Term Loan)  | -                         | 5,000.00                  |
| <b>Total</b>                                                | <b>-</b>                  | <b>8,000.00</b>           |

### Note 32: Excess Remuneration paid to Key Managerial Personnel

The Company has incurred losses during the year and, accordingly, the remuneration payable to its managerial personnel during the year is governed by Section 197 read with Schedule V of the Companies Act, 2013. During the year, the remuneration paid to the KMPs of the Company exceeded the limits prescribed under Section 197 of the Companies Act, 2013. The Company has evaluated the applicable provisions relating to excess remuneration and complied with the requirements of the Companies Act, 2013 including obtaining the necessary approvals, wherever required.

### Note 33: Disclosure for Construction Contracts

Ind AS 115-Revenue from Contracts with Customers are as under:

| Particulars                                         | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------------|---------------------------|---------------------------|
| Progress Billing                                    | 11,337.41                 | 9,896.01                  |
| Less/Add: Unbilled Revenue Transfer/ Generate       | 4,134.30                  | 596.35                    |
| <b>Net Contract Revenues</b>                        | <b>7,203.11</b>           | <b>10,492.36</b>          |
| Contract costs incurred                             | 10,416.21                 | 14,637.20                 |
| <b>Recognised profit net of recognised (losses)</b> | <b>(3,213.10)</b>         | <b>(4,144.84)</b>         |
| Unbilled Revenue                                    | 112.24                    | 4,134.30                  |
| Due from Customers                                  | -                         | 4,134.30                  |
| Less: Allowance for doubtful amount                 | -                         | 2,590.51                  |
| Net Due from Customers                              | -                         | 1,543.79                  |
| Advance payments received                           | 728.73                    | 2,430.26                  |
| Retention amount                                    | -                         | 1,376.17                  |

Refer Note 25(A) for Loss Allowances on Trade Receivables

The Company has made provision, as required under the Indian Accounting Standards, for material foreseeable losses on long term contracts.

The Company has made revisions in the cost to complete certain projects during the year as part of their periodical review of cost estimates.

### Note 34: Earnings Per Share

| Particulars                                                                        | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>(a) Basic Earnings Per Share</b>                                                |                           |                           |
| Profits/(Losses) attributable to the Equity Holders of the Company                 | 3,45,219.73               | (1,71,608.57)             |
| Total Basic Earnings Per Share attributable to the Equity Holders of the Company   | 1,035.66                  | (88.69)                   |
| <b>(b) Diluted Earnings Per Share</b>                                              |                           |                           |
| Profits/(Losses) attributable to the equity holders of the company                 | 3,45,219.73               | (1,71,608.57)             |
| Total Diluted Earnings Per Share attributable to the Equity Holders of the Company | 1,035.66                  | (88.69)                   |

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

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

### (c) Weighted average numbers of shares used as denominator

| Particulars                                                                                                                            | 31st March, 2026 | 31st March, 2025 |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                        | Number of Shares |                  |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share                               | 3,33,33,334      | 19,35,02,854     |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 3,33,33,334      | 19,35,02,854     |

\* During the previous year, the existing share capital of the Company stands extinguished and fresh shares were issued to the SRA and existing shareholders as per the Resolution Plan.

### Note 35: Segment information

The Company is primarily engaged in a single business segment, viz. "Engineering, Procurement, and Construction" and predominantly operates in one Geographical segment. Hence, in the opinion of the Chief Operating decision maker as defined, the 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 :

| Particulars                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------|---------------------------|---------------------------|
| <b>Revenue from Customers</b> |                           |                           |
| - India                       | 7,276.57                  | 10,492.36                 |
| - Outside India               | 74.49                     | -                         |
|                               | <b>7,351.06</b>           | <b>10,492.36</b>          |
| <b>Total Assets*</b>          |                           |                           |
| - India                       | 82,287.73                 | 1,16,179.88               |
| - Outside India               | 19.55                     | 672.93                    |
|                               | <b>82,307.28</b>          | <b>1,16,852.81</b>        |

\*The segment assets represent the total assets attributable to each reportable segment, net of impairment recognised thereon.

### Note 36: Assets pledged as Security

The carrying amounts of assets pledged as Security for Current and Non-current Borrowings are:

| Particulars                                        | Notes | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------------------|-------|---------------------------|---------------------------|
| <b>Current</b>                                     |       |                           |                           |
| <b>Financial Assets</b>                            |       |                           |                           |
| Trade Receivables                                  | 6(a)  | 16,575.46                 | 33,872.48                 |
| Cash and Cash Equivalents                          | 6(b)  | 355.90                    | 175.51                    |
| Bank balances other than Cash and Cash Equivalents | 6(b)  | 212.10                    | 1,882.09                  |
| Other Financial Assets                             | 6(d)  | 4,957.44                  | 9,882.25                  |
| Loans                                              | 6(c)  | -                         | 1,744.38                  |
| <b>Non-Financial Assets</b>                        |       |                           |                           |
| Inventories                                        | 8     | -                         | 22.38                     |
| Other Current Assets                               | 10    | 7,560.10                  | 15,766.31                 |
| <b>Total Current Assets pledged as security</b>    |       | <b>29,661.00</b>          | <b>63,345.40</b>          |
| <b>Non-current</b>                                 |       |                           |                           |



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

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

| Particulars                                          | Notes | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|------------------------------------------------------|-------|---------------------------|---------------------------|
| Property, Plant and Equipment                        | 3     | 439.33                    | 1,211.42                  |
| Other Financial Assets                               | 6(d)  | 12.04                     | 13.56                     |
| Investments                                          | 5     | 141.20                    | 140.74                    |
| <b>Total non-currents assets pledged as security</b> |       | <b>592.56</b>             | <b>1,365.72</b>           |
| <b>Total assets pledged as security</b>              |       | <b>30,253.57</b>          | <b>64,711.12</b>          |

### Note:

Pursuant to the implementation of the Approved Resolution Plan (refer Note 41), the Company's funded credit facilities have been settled and/or extinguished in accordance with the terms of the Resolution Plan. The non-funded credit facilities, however, are yet to be settled and shall be released upon fulfilment of the remaining terms and conditions stipulated under the Resolution Plan. Accordingly, the charges created over the Company's assets in respect of such facilities continue to remain in force and shall be released upon fulfilment of the prescribed conditions under the Resolution Plan. Further, the execution of the supplementary deed of hypothecation, as contemplated under the terms of the Resolution Plan, is currently in process and shall be completed upon fulfilment of the requisite conditions and formalities.

### Note 37: Accounting Ratios

| Sl No | Particulars                     | Numerator                                | Denominator                          | Numerator   | Denominator   | 31-Mar-26 | Numerator     | Denominator   | 31-Mar-25 | Variation (in%) | Reasons (if Variance is more than 25%)* |
|-------|---------------------------------|------------------------------------------|--------------------------------------|-------------|---------------|-----------|---------------|---------------|-----------|-----------------|-----------------------------------------|
| 1     | Current Ratio                   | Current Assets                           | Current Liability                    | 29,802.51   | 24,970.69     | 1.19      | 63,474.12     | 7,05,741.26   | 0.09      | 1,227.00        |                                         |
| 2     | Debt - Equity Ratio             | Total Debts (including Lease Liability)  | Shareholder's Equity (including OCI) | 10,866.26   | 57,069.44     | 0.19      | 6,64,295.72   | (5,89,227.38) | (1.13)    | (116.89)        |                                         |
| 3     | Debt Service Coverage Ratio     | Earning available for Debt Service       | Debt Service                         | 3,67,709.73 | 10,866.26     | 33.84     | (86,461.59)   | 6,64,295.72   | (0.13)    | (26,099.40)     |                                         |
| 4     | Return on Equity Ratio          | Net Profit after Tax (including OCI)     | Average Share Holder Fund            | 3,45,158.23 | (2,66,078.97) | (1.30)    | (1,71,568.70) | (5,05,015.79) | 0.34      | (481.83)        |                                         |
| 5     | Inventory Turnover Ratio        | Sales                                    | Average Inventory                    | 7,351.06    | 11.19         | 656.93    | 10,492.36     | 29.75         | 352.68    | 86.27           |                                         |
| 6     | Trade Receivable Turnover Ratio | Sales                                    | Average Trade Receivables            | 7,351.06    | 25,223.97     | 0.29      | 10,492.36     | 54,038.19     | 0.19      | 50.09           |                                         |
| 7     | Trade Payable Turnover Ratio    | Purchase of Goods and Service            | Average Trade Payable                | 1,641.15    | 13,147.85     | 0.12      | 1,406.07      | 22,908.85     | 0.06      | 103.37          |                                         |
| 8     | Net Capital Turnover Ratio      | Sales                                    | Working Capital                      | 7,351.06    | 4,831.82      | 1.52      | 10,492.36     | (6,42,267.14) | (0.02)    | (9,412.83)      |                                         |
| 9     | Net Profit Ratio                | Net Profit (including OCI)               | Sales                                | 3,45,158.23 | 7,351.06      | 46.95     | (1,71,568.70) | 10,492.36     | (16.35)   | (387.15)        |                                         |
| 10    | Return on Capital Employed      | Earning before Interest and Taxes (EBIT) | Capital Employed                     | 3,67,240.99 | 67,935.71     | 5.41      | (86,758.20)   | 75,068.34     | (1.16)    | (567.73)        |                                         |
| 11    | Return on Investment            | Return on Investment                     | Total Investment                     | 0.46        | 141.20        | 0.00      | 4.65          | 140.74        | 0.03      | (90.14)         |                                         |

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

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

\* Due to the implementation of the approved resolution plan and reassessment of the assets of the company (Refer Note 41 and 42), the corresponding YoY ratios are not comparable

|                                           |                                                                                                                                                                            |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Earning available for Debt Service</b> | Net Profit before Taxes + Non-Cash operating expenses like depreciation and other amortisation + Interest + Other adjustments like loss/Profit on sale of Fixed Asset etc. |
| <b>Debt Service</b>                       | Interest and Lease payments + Principal repayments                                                                                                                         |
| <b>Capital Employed</b>                   | Net Worth + Total Debt + Deferred Tax Liability                                                                                                                            |
|                                           | Net Worth = Total Assets - Intangible Assets - Total Liability                                                                                                             |

### Note 38: Details of Loans given covered under Section 186(4) of the Companies Act, 2013.

| Particulars                                                                             | As at<br>31st March , 2026 | As at<br>31st March , 2025 |
|-----------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Vedica Sanjeevani Projects Private Limited (ceased to be subsidiary w.e.f. 29.08.2018)* |                            | 1,744.38                   |
| <b>Total</b>                                                                            | <b>-</b>                   | <b>1,744.38</b>            |

\*The Company had given moratorium for payment of interest and hence not recognised interest income on the loan for the year ended 31st March, 2025 on prudential basis. During the current year, based on a reassessment of the recoverability of the outstanding loan balance and considering the uncertainty associated with its recovery, the Company has made a provision against such loan under the head "Other Expenses".

### Note 39:

The Company had entered in September 2003 a joint venture agreement with Elsamex S.A. whereby officially it was appointed as a subcontractor in "West Bengal Corridor Development Project – Improvement of Gazole Hilli Section of SH 10 with a link to Balurghat from Patiram," (the project). However consequent to considerable delay in execution of the project the Public Works Department of Government of West Bengal (PWD) had unilaterally terminated the contract in January 2006. The Company and Elsamex S.A. felt that such delay in execution was due to the inability of PWD to hand over the stretch of encumbrance free land for widening of road and non-availability of construction drawings on time by PWD. The Company had a legitimate claim of Rs. 1,517 lakhs towards receivable and Rs. 1,133 lakhs on account of deposit against Performance Guarantee. Elsamex S.A. moved to arbitration and had claimed an amount of Rs. 7,334 lakhs including an additional claim on consequential losses as per guidelines of "Federation Internationale Des Ingenieurs-Conseils" (FIDIC). Arbitral Board in their meeting held on 25th October, 2010 upheld Elsamex S A's claim and gave its award in their favour. Under the award, a total amount of Rs. 3,535 Lakhs is receivable by the Company. Arbitral award of Rs. 2,734.00 lakhs passed in favour of MBECL. PWD preferred to challenge the verdict of the Arbitral award, presently the case in under Jurisdiction of Calcutta High Court. Further, matter has to be mentioned before the Calcutta High Court earlier and file execution petition. Legal counsel of the Company should continue to monitor of this matter and implication of any further development therefore.

### Note 40: Implementation of the New Labour Code

On 21st November 2025, the Government of India notified the four Labour Codes – consolidating 29 existing labour laws. The Ministry of Labour & Employment has also issued draft Central Rules and FAQs to help assess the financial impact of these changes. Based on internal management assessment, actuary report and the best information available, and in line with ICAI guidance, the Company has recognised an incremental impact of gratuity and long-term compensated absences of Rs. 93.42 Lakhs, mainly due to the revised wage definition. It has been disclosed under the head "Employee Benefit Expenses" as past service cost in the Financial Statements during the year ended 31st March 2026. The Company continues to monitor the finalisation of Central/State Rules and further Government clarifications and will account for any additional impact, if any required.



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

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

### Note 41: CIRP Process and Implementation of the Approved Resolution Plan

Pursuant to an application bearing C.P. (IB) No. 891/KB/2020 filed by one of the financial creditors of the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), vide its Order dated 29 April 2022, admitted the application and initiated the Corporate Insolvency Resolution Process ("CIRP") against the Company. Consequent thereto, CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional ("IRP"). Subsequently, pursuant to the Order of the Hon'ble NCLT dated 26 August 2022, CA Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) was appointed as the Resolution Professional ("RP"). Upon commencement of the CIRP, the powers of the Board of Directors stood suspended and the management of the Company vested with the IRP/RP.

A Committee of Creditors ("CoC") was constituted on 18 May 2022 based on the claims admitted by the IRP. The CoC was subsequently reconstituted from time to time, with the last reconstitution taking place on 29 December 2022, and the requisite intimations were filed with the Hon'ble NCLT.

Pursuant to the CIRP process, the resolution plan submitted by M/s BTL EPC Limited ("Successful Resolution Applicant" or "SRA") was approved by the CoC with the requisite majority in accordance with the provisions of the IBC. Thereafter, the RP submitted an application before the Hon'ble NCLT on 3 August 2023 seeking approval of the resolution plan.

The Hon'ble NCLT, vide its Order dated 19 December 2023, approved the resolution plan submitted by the SRA ("Approved Resolution Plan"). Consequent upon such approval, a Monitoring Committee ("MC") was constituted in place of the CoC to oversee the implementation of the Approved Resolution Plan.

The Approved Resolution Plan was initially required to be implemented by the effective date of 17 February 2024. However, owing to certain challenges faced by the SRA, the implementation could not be completed within the stipulated period. Accordingly, the Monitoring Committee filed an application before the Hon'ble NCLT seeking appropriate directions in relation to the implementation of the Approved Resolution Plan. On 3rd December 2024, Hon'ble NCLT passed a subsequent order granting extension of the "effective date" for the implementation of the Resolution Plan up to 21 days from the date of uploading the NCLT Order i.e. up to 06.01.2025.

### Note 41: CIRP Process and Implementation of the Approved Resolution Plan (Contd.)

For the purpose of implementing the Approved Resolution Plan, the SRA nominated Mandal Vyapar Private Limited ("MVPL") as its Special Purpose Vehicle ("SPV"), which was duly noted by the Monitoring Committee at its meeting held on 16 December 2024. Subsequently, on 6th January 2025, the Company reconstituted its Board of Directors in accordance with the Approved Resolution Plan and the directions of the Hon'ble NCLT. Accordingly, the tenure of the erstwhile directors ceased, and a newly constituted Board assumed management and control of the Company. The new Board also constituted the requisite committees in accordance with the provisions of the Companies Act, 2013.

In accordance with the Approved Resolution Plan, the SRA is required to pay an aggregate resolution amount of Rs. 15,500.16 Lakhs towards settlement of the claims of various stakeholders. In addition to this, the SRA is required to bear the CIRP costs and provident fund liabilities. The resolution amount is payable in three tranches from the Effective Date and may be funded through the SRA's own resources and/or the internal accruals of the Company, as permitted under the Resolution Plan.

Up to 31 March 2025, the first tranche and a portion of the second tranche had been disbursed and the corresponding adjustments were made against the admitted claims in accordance with the Approved Resolution Plan. However, due to certain implementation challenges, the balance payments could not be made within the prescribed timelines. Accordingly, the SRA filed an application before the Hon'ble NCLT seeking an extension of time for payment of the balance consideration.

The Hon'ble NCLT, vide its Order dated 23 September 2025 (uploaded on 15 October 2025), allowed I.A. (IBC)/862(KB)/2025 and granted an extension up to 30 September 2025 for payment of the balance amount under the Approved Resolution Plan, subject to payment of costs of Rs. 100 Lakhs to the Prime Minister's National Relief Fund, which was duly paid by the SRA on 9 January 2026. Further, pursuant to the Hon'ble NCLT Order dated 3rd December 2024 and 23rd September 2025, granting an extension of time up to 30th September 2025 for completion of payments under the Approved Resolution

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

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

Plan, the Resolution Applicant is required to make the final payments along with the interest and legal fees as per the following:

| Particulars                        | Final Resolution Plan Amount |
|------------------------------------|------------------------------|
| Financial Creditors - Secured      | 14,918.00                    |
| Financial Creditors - Unsecured    | 200.00                       |
| Workmen & Employee Dues            | 1.00                         |
| Operational Creditors              | 50.00                        |
| Government Claims & Statutory dues | 300.00                       |
| Other Creditors                    | 10.00                        |
| Shareholders                       | 21.16                        |
| Interest                           | 1,156.03                     |
| Legal Cost                         | 111.70                       |
| CIRP Cost                          | 400.78                       |
| Provident Fund                     | 329.99                       |
| PM CARES Fund                      | 100.00                       |
| <b>Total</b>                       | <b>17,598.66</b>             |

The balance amounting to Rs. 228.04 Lakhs unpaid as on 31st March 2026 has already been earmarked and parked in a Bank account which is dedicated for implementation of the Resolution Plan solely for the settlement of liabilities for which compliance is in process. The management is of the opinion that such escrow account is being operated and controlled by the erstwhile Resolution Professional. Consequently, the bank balances in escrow account is not reflected in the current Financial Statements. Further, an amount of Rs. 34.24 Lakhs, which is yet to be settled due to compliance-related issues is reflected in the head "Financial Liabilities".

Final payment as per the approved resolution plan has been made in October'2025. The total payment of Rs. 17,564.42 Lakhs (including the interest and legal fees) has partly have been funded by SRA (borrowings and issue of Shares) amounting to Rs. 12,483.95 Lakhs and the balance amount of Rs. 5,080.47 Lakhs through internal accrual of funds generated by the Company from its ongoing operations and realization of receivables.

Further, as per the approved Resolution Plan, the SRA has extended protection of Rs. 25,100.00 Lakhs to the lenders against the Bank Guarantees issued. As at 31st March 2026, protected Bank Guarantees amounting to Rs 15,021.96 Lakhs has remained active. Subsequent to the approval of the Plan on 19th December 2023 ("Plan Approval Date"), Bank Guarantees aggregating to Rs 763.15 Lakhs have been invoked by customers out of the protected Bank Guarantees (Rs 487.80 Lakhs as at 30th June 2025 and Rs 275.35 Lakhs as at 31st March 2025). The accounting treatment of the related costs, fully funded through internal accruals, has been carried out in accordance with the provisions of the Resolution Plan. The invocation of the Bank Guarantees has been treated as payments made to secured financial creditors, in line with the protection extended by the SRA. During the year 2025-26, the Company paid Rs 97.56 Lakhs, representing 20% of Rs 487.80 Lakhs, the invoked Bank Guarantee amount, in accordance with the terms and conditions of the Resolution Plan. The said amount has been charged under the head "Other Expenses". The Financial Creditors ("FCs") with BG exposure shall continue to have charge over existing assets of the Company until release of taken-over BGs.

Pursuant to the implementation of the Approved Resolution Plan, 95% of the existing equity share capital of the Company stood extinguished and cancelled in accordance with the terms of the Approved Resolution Plan. The SRA agreed to pay an amount of Re. 0.01 per share to the existing shareholders of the Company as a gesture of goodwill. Accordingly, an amount aggregating to Rs. 21.16 Lakhs has been deposited in a designated escrow account for distribution to the eligible shareholders of which Rs. 5.39 lakhs remains to be disbursed to ultimate shareholders as at 31st March 2026. The company is making its best effort to disburse them to respective shareholders at the earliest. Thereafter, fresh equity



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

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

shares were issued to Mandal Vyapar Private Limited and to the financial creditors in the manner prescribed as laid out in the Resolution Plan as below:-

| Sl. No. | Name of Allottees             | No. of Equity Shares | Amount   | % of Holding |
|---------|-------------------------------|----------------------|----------|--------------|
| 1       | Mandal Vyapar Private Limited | 3,00,00,000.00       | 3,000.00 | 90%          |
| 2       | Financial Creditors           | 16,66,667.00         | 166.67   | 5%           |
| 3       | Existing shareholders         | 16,66,667.00         | 166.67   | 5%           |
|         | Total                         | 3,33,33,334.00       | 3,333.33 | 100%         |

### Note 41: CIRP Process and Implementation of the Approved Resolution Plan (Contd.)

The Company has duly complied with all applicable legal and regulatory requirements, including but not limited to those prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has filed all requisite forms and disclosures with the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Ministry of Corporate Affairs relevant to the allotment and listing of the newly issued equity shares.

The 5% equity shares of the Company offered to all the assenting Financial Creditors are allotted with a put option to buyback the shares for a total consideration of Rs 3,000 Lakhs upon expiry of 2 years from the date of allotment and the said Financial Creditors shall be at liberty to sell their respective share of the offered equity in the open market at any point of time after such allotment. The equity shares allotted by the Company are awaiting listing and trading approval from the Stock Exchanges and consequently, until the shares are credited to the demat account of the assenting Financial Creditors, the question of buyback of such shares would not logically arise. The NCLT Order dated 3rd December 2024 linked the payment obligation of SRA with respect to share buyback to the expiry of 2 years from the original effective date i.e. 17th February 2024 subject to the credit of shares in the demat accounts of assenting Financial Creditors.

The Company has filed application before the Hon'ble National Company Law Tribunal ("NCLT") seeking appropriate directions in this regard and the matter is currently pending adjudication before the Tribunal.

### Note 42: Accounting Effect of the Approved Resolution Plan

During the current financial year, the company incorporated the effects as required by the resolution plan approved by Hon'ble NCLT Kolkata bench dated 3rd December 2024 and 23rd September 2025. Accordingly, the liabilities which are extinguished under the Approved Resolution Plan have been accounted for as below after considering the payments and settlements made as set out in Note 41

| Sl. No. | Name of Allottees                                                                     | FY 2025-26         | FY 2024-25      | Adjustment made through |
|---------|---------------------------------------------------------------------------------------|--------------------|-----------------|-------------------------|
| 1       | Extinguishment of financial liabilities of banks and ICD borrowings                   | 2,95,687.14        | -               | Other Equity            |
| 2       | Extinguishment of financial liabilities of preference share capital                   | 975.00             | -               |                         |
| 3       | Extinguishment of financial liabilities of Premium on preference share capital        | 4,476.43           | -               |                         |
| 4       | Settlement of Government Claims and Statutory Dues                                    | (208.99)           | (233.67)        | Exceptional Items       |
| 5       | Extinguishment of financial liabilities of Interest towards banks and other creditors | 3,69,661.78        | -               |                         |
| 6       | Extinguishment of financial liabilities of Dividend Distribution Tax                  | 540.26             | -               |                         |
| 7       | Extinguishment of Operational creditors                                               | 18,408.56          | -               |                         |
| 8       | Settlement of Other Claims                                                            | (21.56)            | -               |                         |
| 9       | Extinguishment of Workmen & Employee Dues                                             | 763.68             | -               |                         |
|         | <b>Total</b>                                                                          | <b>6,90,282.31</b> | <b>(233.67)</b> |                         |

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

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

Pursuant to the transfer of control, the management undertook a comprehensive assessment of the recoverability of certain long-outstanding balances based on the information available and circumstances prevailing as at the reporting date. Based on the outcome of such assessment, the Company has recognised provisions against balances where significant uncertainty exists regarding their realisability and has written off certain balances considered irrecoverable during the financial year ending 31st March 2025 and 31st March 2026. Accordingly, the resulting provisions and write-offs have been recognised in the financial statements and disclosed under “Other Expenses” in the Statement of Standalone Profit and Loss.

| Sl. No. | Management Decision               | Head                                 | FY 2025-26  | FY 2024-25 |
|---------|-----------------------------------|--------------------------------------|-------------|------------|
| 1       | Net Provision made/<br>(reversed) | Investments                          | (2,707.87)  | -          |
| 2       |                                   | Inventory                            | 23.45       | -          |
| 3       |                                   | Debtors                              | (33,866.16) | 34,881.20  |
| 4       |                                   | Claims Recoverable                   | -           | 17,648.25  |
| 5       |                                   | Loans and Advance to suppliers       | 413.62      | 24,995.04  |
| 6       |                                   | Security Deposits                    | 658.68      | -          |
| 7       | Write offs                        | Property, Plant and Equipment        | 679.97      | -          |
| 8       |                                   | Capital Work in Progress             | -           | 462.62     |
| 9       |                                   | Investments                          | 2,707.87    | -          |
| 10      |                                   | Debtors                              | 42,276.36   | 2,481.67   |
| 11      |                                   | Loans                                | 1,425.12    | -          |
| 12      |                                   | Claims Recoverable                   | 2,662.06    | 251.40     |
| 13      |                                   | Balances with Government Authorities | 7,726.12    | -          |

The aforesaid assessment is an ongoing exercise, and the management continues to pursue recovery of such balances wherever considered feasible. Any recoveries, reversals, or further adjustments arising from the outcome of such efforts will be recognised in the financial statements in the year in which they are identified.

### Note 43:

Pursuant to the implementation of the Approved Resolution Plan, the Company has undergone financial restructuring, including settlement, extinguishment of certain liabilities and reconstitution of its Board of Directors. The management has assessed the business plans, operational outlook, available financial resources and is of the view that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the Company has adequate resources to continue its operations for the foreseeable future and, therefore, the accompanying standalone financial statements have been prepared on a going concern basis.

### Note 44:

The Company had received Notice imposing Standard Operating Procedure (SOP) Fines amounting to Rs 68.51 Lakhs (including GST) from BSE Limited (BSE) and Rs 68.76 Lakhs (including GST) from the National Stock Exchange of India Limited (NSE), collectively the “Stock Exchanges”, for non-compliance with the conditions of corporate governance up to the period ended 31st March 2026. The waiver applications were considered by the respective Stock Exchange and partial waiver granted by BSE on 24th December, 2025 and by NSE on 6th February, 2026. The net amount of SOP Fines determined by BSE at Rs 11.69 Lakhs (including GST) was paid on even date and the total SOP Fine amount determined by NSE at Rs 16.37 Lakhs (including GST) was paid as - Rs 10.94 Lakhs on 13th February, 2026 and Rs 5.43 Lakhs on 19th February, 2026. The payment of outstanding SOP fines was a pre-condition for granting approval to the Equity Share Listing Application filed by the Company with the Stock Exchanges. Pursuant to payment of SOP Fines, BSE issued the In-principle Listing Approval on 13th January, 2026 followed by a revised approval on 16th March, 2026 for the entire shares allotted. NSE however has issued listing approval for 95% of the Shares up to 24th April, 2026 while listing approval for balance 5% shares issued to the financial creditors is still pending. Necessary Corporate Action for capital reduction in respect of 5% “public shareholding” has been executed by the Company but pending for approval of NSDL and CDSL. Corporate Action on the remaining 95% shares will be executed in due course in a phased manner on the basis of Distinctive Number Range assigned to the shares in the Listing Approvals granted by the Stock Exchanges.



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

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

### Note 45:

The Government had granted a special exemption to the Company under Paragraph 79 of the EPF Scheme, which was cancelled with effect from 7th February 2024. Pursuant to the cancellation, the Company and its Board of Trustees are required to comply with the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Paragraph 28 of the EPF Scheme.

In accordance with the directions issued by Employees' Provident Fund Organization ("EPFO") dated 7th February 2024, and given the direction to transfer all the accumulated amount in the trust. Subsequently, EPFO raised a demand dated 12th November 2025 aggregating to Rs 564.81 Lakhs towards damages under Section 14B and Rs 395.52 Lakhs towards interest under Section 7Q.

The Company has already paid a sum of Rs 6,368.95 Lakhs to the EPFO up to 6th January 2025 out of the accumulated funds and filed an appeal before the Central Government Industrial Tribunal, which granted a stay on recovery of damages under Section 14B, while holding the appeal against the demand under Section 7Q as non-maintainable. Thereafter, the Company filed a writ petition before the Hon'ble Jharkhand High Court challenging the demand raised under Section 7Q. The High Court, by order dated 22nd January 2026, granted a stay on recovery proceedings under both Sections 7Q and 14B, including the bank attachment initiated by EPFO.

Accordingly, as the matter is presently sub judice and recovery of the entire demand remains stayed, no liability has been crystallized as at the reporting date. In the opinion of the management further liability have been recognized in this financial statement as the same in the contingent in nature. The matter is listed for further hearing, and the Company is pursuing appropriate legal remedies.

### Note 46:

Trade Receivables, Other Financial Assets, Other Current Assets, Trade Payables, and Advances from Customers are subject to confirmation and reconciliation with the respective parties. These balances are also subject to the outcome of pending arbitrations, claim settlements, and any consequential adjustments arising therefrom, if any. Furthermore, the Management's review process in this regard is ongoing, the impact of which, if any, will be accounted for in due course.

### Note 47: Interest In Joint Venture

| Name                       | Project | Principal Place of Business | 31st March, 2026<br>Proportion of ownership Interest | 31st March, 2025<br>Proportion of ownership Interest |
|----------------------------|---------|-----------------------------|------------------------------------------------------|------------------------------------------------------|
| EMC MBE Contracting Co LLC | EMC     | Oman                        | 35%                                                  | 35%                                                  |
| McNally- AML               | Dipka   | Indian                      | 98%                                                  | 98%                                                  |
|                            | Ananta  | Indian                      | 97%                                                  | 97%                                                  |
| McNally- Trolex            | Chhal   | Indian                      | 96%                                                  | 96%                                                  |
|                            | Baroud  | Indian                      | 97%                                                  | 97%                                                  |
| McNally- Trolex- Kilburn   | Sardega | Indian                      | 80%                                                  | 80%                                                  |

### Note 48:

#### Other Statutory Information

- There is no immovable property held in the name of the Company during the year.
- The Company does not have any Benami property, where any proceeding has been initiated or is pending against it for holding any Benami property.
- 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, 1956 during the year.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

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

- (vi) Pursuant to implementation of the resolution plan, there is no outstanding from banks or financial institutions. So, filing of quarterly statements are not required.
- (vii) The Company does not have any charge or satisfaction of charge, which is yet to be filed with ROC beyond the statutory period.
- (viii) The Company has not advanced or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.
- (ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that it shall:
- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) During the year, an income tax search and seizure operation was conducted at the premises of the Company under the provisions of the Income-tax Act, 1961. As on the date of approval of these financial statements, no demand, assessment order, or communication requiring disclosure of any unrecorded income or transactions has been received by the Company pursuant to such proceedings. Accordingly, no transactions previously unrecorded in the books of account have been surrendered or disclosed as income during the year.

### Note 49:

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 50:

The Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same were operating throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level to log any direct data changes and in case of modification by certain users with specific access. Further there was no instance of audit trail feature being tampered with respect to the accounting softwares. Additionally, the audit trail has been preserved by the Company as per the Statutory requirements.

### Note 51:

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

#### Signature to Note 1 to 51

As per our report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**Place:** Kolkata

**Date :** 28th May, 2026

**(Rajendra Mohan Mathur)**

Chief Executive Officer

**For McNally Bharat Engineering Company Limited**

**(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary



# CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditors' Report

To  
the Members of  
McNally Bharat Engineering Company Limited  
Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of McNally Bharat Engineering Company Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matter stated in the para (a) of the Emphasis of Matters 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 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 Standard) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2026, their consolidated profit (including other comprehensive income), the consolidated changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

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 SAs 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 and the audit evidence obtained by other auditor, in terms of his report referred to in the "Other Matters" paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Emphasis of Matters

#### a) Accounting Treatment Pursuant to Implementation of Approved Resolution Plan

Note 41 and 42 of the consolidated financial statements that describes the accounting treatment adopted by the Holding Company consequent to the implementation of the Resolution Plan by the Holding Company, duly approved under the Corporate Insolvency Resolution Process by the Hon'ble National Company Law Tribunal, Kolkata, vide its order dated 19th December 2023 (the "Order").

Pursuant to the said Order, the share capital of the Holding Company was reduced, and certain financial as well as operational liabilities were extinguished in accordance with the terms of the approved Resolution Plan, more fully described in said note. The resultant balances have been credited to the Capital Reserve, and/or Retained Earnings.

The above accounting treatment has been given effect to in accordance with and pursuant to the directions of the Hon'ble NCLT, thereby overriding the requirements of the applicable Ind AS.

#### b) Current Assets and Current Liabilities

Note 46 of the Consolidated Financial Statements, describing the Trade Receivables, Financial Assets, Other Financial Assets, Other Current Assets, Trade Payables, Advance to supplier and Advances from Customers are subject to confirmation and under reconciliation with the respective parties. These balances are also subject to the outcome of pending arbitrations, claim settlements, and any consequential adjustments arising therefrom, if any. Furthermore, the Management's review process in this regard is ongoing, the impact of which, if any has not been ascertained and will be accounted for in due course.



## Independent Auditors' Report (Contd.)

### 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 Emphasis of Matters and Other Matters section of our report, we have determined the matters described below to be the key audit matters to be communicated in our Report.

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Auditors' Response to Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b>Estimated Cost to complete the Project/Revenue Recognition:</b></p> <p>(Refer note 1(d) to the Consolidated Financial Statements)</p> <p>The Group recognizes revenue under the percentage of completion method as specified under Indian Accounting Standard 115 "Revenue from Contract with Customers".</p> <p>Recognition of revenue requires estimation of total contract cost which comprises of the actual cost incurred till date and estimated cost further to be incurred to complete the projects. Estimation of the cost to complete involves the exercise of significant judgment by management including assessment of technical data and hence identified as a Key Audit Matter.</p> | <p>Our audit approach was combination of test of internal controls and substantive procedures which includes the following:</p> <ol style="list-style-type: none"><li>1. Tested the design, implementation, and operating effectiveness of the controls surrounding the determination and approval of estimated cost.</li><li>2. Verified the contracts with customers on a check basis including the actual cost incurred and terms and conditions related to the variation of the cost.</li><li>3. Discussed with the project management teams for certain selected projects to assess the reasonableness of the estimated cost to be incurred for completing the respective projects.</li><li>4. Obtained and relied on the Management Certificate for supporting the accuracy of the estimate of the total cost of the project for selected contracts on test check basis.</li></ol> |

## Independent Auditors' Report *(Contd.)*

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Auditors' Response to Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2       | <p><b>Provision for Current Tax and Deferred Tax</b> (Refer Note 7 to the Consolidated Financial Statements)</p> <p>The Group is subject to complexities with respect to various tax positions on deductibility of transactions and tax incentives / exemptions, on accounting treatment for the effects of the Resolution Plan. Judgment is required in assessing the range of possible outcomes for some of these tax matters. Management makes an assessment to determine the outcome of these uncertain tax positions and decides on allowability thereof.</p> <p>Further, the recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act, 1961 and other applicable tax laws and rules including application of ICDS and financial reporting in accordance with Ind AS. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of Current tax and Deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> | <p>We have performed the following procedures:-</p> <ol style="list-style-type: none"> <li>1. Verified the underlying documents related to income-tax litigations and other correspondences with the authorities,</li> <li>2. Assessment of third-party opinions and the use of past experience, where available, with the tax authorities in the respective jurisdiction,</li> <li>3. Assessment of underlying process with respect to measurement of deferred tax and re-performance of calculations,</li> <li>4. Developed an understanding of the approved Resolution Plan and accounting thereof which can have effect on current tax and deferred tax,</li> <li>5. Involved direct tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management for uncertain tax positions,</li> <li>6. Assessment of the items leading to recognition of deferred tax by determining whether,</li> <li>7. The method of measurement used is appropriate in the circumstances; and</li> <li>8. The method of measurement and assumptions used by management are reasonable in the light of the Ind AS principles,</li> <li>9. Further, we assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements</li> </ol> |



## Independent Auditors' Report *(Contd.)*

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Auditors' Response to Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.      | <p><b>Impairment of Financial and Non-Financial Assets</b></p> <p>(Refer Note 3 and 42 to the Consolidated Financial Statements)</p> <p>Pursuant to transfer of control, the management of the Holding Company undertook a comprehensive assessment of long-outstanding financial and non-financial balances based on the facts and circumstances available as at the reporting date. Based on the outcome of this assessment, the Holding Company recognised provisions against balances where significant uncertainty exists regarding their recoverability and written-off certain balances considered irrecoverable.</p> <p>Such assessment involved significant management judgement, the availability of documentation, the status of underlying claims, and other relevant facts and circumstances.</p> <p>Considering the significance of the amounts involved, the degree of management judgement, and the impact on the financial statements, the matter has been identified as a Key Audit Matter.</p> | <p>Our audit procedures included and were not limited to the following:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the process adopted by the management for assessing long-outstanding balances, including the significant assumptions and judgements applied, supporting documentation, and ageing analysis</li> <li>2. Evaluated the reasonableness of the actions undertaken by the management to recover the outstanding balances,</li> <li>3. Assessed the appropriateness of the provisions and write-offs recognised by the Group in respect of the outstanding balances, having regard to the underlying facts, circumstances, and available documentation.</li> <li>4. Assessed the presentation and disclosures relating to the provisions and write-offs in the financial statements are adequate and in compliance with the applicable requirements of Ind AS and Schedule III.</li> </ol> |

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility & Sustainability Report, Corporate Governance and Shareholder's 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 our Report.

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

In connection with our audit of the 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required communicate the matter to those charged with governance.

## Independent Auditors' Report *(Contd.)*

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

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including total 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 specified under section 133 of the Act read with the relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Group; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Holding Company's Management and Board of Directors are also responsible for overseeing the financial reporting process of the group.



## Independent Auditors' Report *(Contd.)*

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Consolidated 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 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 whether the Group has adequate internal financial controls system 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. 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.

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

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

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

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

## Independent Auditors' Report *(Contd.)*

### Other Matters

The Consolidated Financial Statements includes the audited financial statements of a subsidiary which reflects the Group's share of total assets Rs. 141.24 Lakhs, total revenue Rs. Nil, net loss (including other comprehensive income) of Rs. 1.42 Lakhs and net cash outflow of Rs. 27.50 Lakhs for the year ended as on that date. The subsidiary's financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on that report.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of our reliance on the work done and the report of the other auditor.

Further, the Consolidated Financial Statement does not include the financial statements of the following Subsidiaries and Joint Ventures:

**i) Wholly Owned Subsidiary Companies of the Holding company**

- McNally Bharat Engineering (SA) Proprietary Limited
- MBE Mineral Technologies Pte Limited
- MBE Minerals Zambia Limited

**ii) Joint Ventures of the Holding Company**

- McNally-Trolex
- McNally-AML
- McNally-Trolex-Kilburn
- EMC MBE Contracting Company LLC

Our opinion is not modified in respect of the aforesaid matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, based on the comments in the reports issued by the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Holding Company, we give in "Annexure A" a statement on the matters specified in 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 the consolidated financial statements.
  - (b) In our opinion, proper books of account and records as required by law, have been kept by the group, so far as it appears from our examination of those books and report of the auditor of the subsidiary company, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.;
  - (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 books of account;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors of the Holding Company, and the report of the auditor of subsidiary company as provided by the Management of the Holding Company, none of the directors of the group companies are disqualified as on



## Annexure A to the Independent Auditor's Report

31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an adverse opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to Consolidated Financial Statements.
- (g) In our opinion and according to the information and explanations given to us, the group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act and rules there under.
- (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 and based on the consideration of the report of the subsidiary as noted in the 'Other matter' paragraph:
  - (i) the Group does not have any pending litigations to disclose in the Consolidated Financial Statements;
  - (ii) the Group has made provision as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contract including derivative contracts; and
  - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (iv) (a) The respective managements of the Holding Company and its subsidiary has represented to us and the auditor of such subsidiary company respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The respective managements of the Holding Company and its subsidiary has represented to us and the auditor of such subsidiary company respectively that, to the best of their knowledge and belief, no funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on our audit procedure that has been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) or (b) contain any material misstatement.
- (v) The Group has not declared any dividend in previous financial year which has been paid in current year. Further, no dividend has been declared in current year. Accordingly, the provision of section 123 of the Act is not applicable to the Group.
- (vi) Based on our examination, which included test checks, the Holding company has used accounting software for maintaining its books of accounts which has a feature of recording in the software an audit trail, except that the audit log is not maintained in case of modification by certain users with specific access and that the audit trail features have not been enabled at the database level to log any direct data changes. During the course of performing our procedures, other than the aforementioned instances where the question of our commenting on the audit trail feature being tampered with does not arise, we did not notice any instances of audit trail feature being tampered with. Further, the audit trail has been preserved by the Holding Company as per the Statutory requirements for record retention.

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

- (vii) In the auditor's report dated 26th May 2026 of the subsidiary whose financial statements have been audited under the Act by other auditor as stated in the other matters section of our report, is reproduced as under:-

"Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with."

**For V. Singhi & Associates**

**Chartered Accountants**

**Firm Registration No. 311017E**

**(Aniruddha Sengupta)**

**Partner**

**Membership No. 051371**

**UDIN: 26051371VCKWDR8386**

**Place: Kolkata**

**Date: 28th May, 2026**



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

### 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 Bharat Engineering Company Limited on the Consolidated Financial Statements as of and for the year ended 31st March, 2026.)

As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order 2020 ("CARO 2020") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act. In our opinion and accordingly to information and explanations given to us, following companies incorporated in India and included in the Consolidated Financial Statements, have certain remarks given by the respective auditors in their reports:

| Name of the Company                        | CIN                   | Holding/<br>Subsidiary<br>Company | Date of<br>respective<br>Audit Report | Clause number of CARO<br>Report which is qualified<br>or adverse |
|--------------------------------------------|-----------------------|-----------------------------------|---------------------------------------|------------------------------------------------------------------|
| McNally Bharat Engineering Company Limited | L45202WB1961PLC025181 | Holding                           | 28th May, 2026                        | (iii)(b), (iii)(c), (iii)(d), (iii)(f), (vii)(a), (xvii)         |
| McNally Bharat Equipments Limited          | U27106WB2008PLC123789 | Subsidiary                        | 26th May, 2026                        | (iv), (xvii)                                                     |

**For V. Singhi & Associates**

**Chartered Accountants**

**Firm Registration No. 311017E**

**(Aniruddha Sengupta)**

**Partner**

**Membership No. 051371**

**UDIN: 26051371VCKWDR8386**

**Place: Kolkata**

**Date: 28th May, 2026**

## Annexure B to the Independent Auditor's Report

### Annexure B to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of McNally Bharat Engineering Company Limited ("the Holding Company") and its subsidiaries which are incorporated in India (collectively referred to as "the Group") as of and for the year ended 31st March, 2026 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 Company's Board of Directors 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 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 Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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,



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

or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

### Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the group's internal financial control over financial reporting with reference to financial statements as at 31st March, 2026:

- (i) the internal financial controls implemented in the group did not incorporate the risk assessment process for identifying and evaluating the risks of material misstatement relevant to the financial reporting. However, the Group is in the process of strengthening and formalising its internal financial control framework.
- (ii) the Group did not have an adequately designed and operating system of internal financial control to timely obtain balance confirmations and perform periodic reconciliations in respect of significant balances, including trade receivables, trade payables, provisioning and payment thereto of interest in accordance with the MSME Development Act, 2006, retention money, security deposits receivable, advances paid to/received from suppliers/ customers, loans given, and monitoring of renewal of bank guarantees obtained from vendors,
- (iii) although the Group is regular in filing its statutory returns, but it does not have an effective process in place to facilitate periodic reconciliation of statutory balances including Goods and Services Tax balances with the respective returns and portal ledgers,
- (iv) the Group is in the process of establishing an integrated system for recording and monitoring Property, Plant and Equipment ("PPE") within its ERP. However, as at the date of this report, the Group continues to maintain the Fixed Asset Register ("FAR") outside the ERP through manual records and it has been updated during the year after comprehensive physical verification. The absence of an integrated FAR, together with the reliance on manual processes, increases the risk of inaccuracies and omissions in recording additions, disposals, transfers, depreciation, location details and other changes relating to PPE.

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

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

### Adverse Opinion

In our opinion as well as to the best of our information and according to the explanation given to us, because of the effects of the material weakness as described above on the achievement of the objectives of the control criteria, the Group has not maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as at 31st March 2026 based on the criteria for internal financial control over financial reporting established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

We have considered the material weakness identified and report in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial Statement of the Group for the year ended 31st March 2026 and these material weaknesses have affected our opinion on the said Consolidated financial statements of the Group and we have issued an adverse opinion on the consolidated Financial Statement of the Group.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to a subsidiary company incorporated in India, is based on the corresponding report of the auditor of that company incorporated in India.

For V. Singhi & Associates

Chartered Accountants

Firm Registration No. 311017E

(Aniruddha Sengupta)

Partner

Place: Kolkata

Date: 28th May, 2026

Membership No. 051371

UDIN: 26051371VCKWDR8386



# Consolidated Balance Sheet as at 31st March, 2026

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

| Particulars                                                                          | Notes | As at<br>31st March, 2026 | As<br>at 31st March, 2025 |
|--------------------------------------------------------------------------------------|-------|---------------------------|---------------------------|
| <b>ASSETS</b>                                                                        |       |                           |                           |
| <b>Non-Current Assets</b>                                                            |       |                           |                           |
| Property, Plant and Equipment                                                        | 3     | 439.33                    | 1,211.42                  |
| Right to use Assets                                                                  | 3     | 201.10                    | 249.16                    |
| Capital work-in-progress                                                             | 3     | -                         | -                         |
| Other Intangible Assets                                                              | 4     | 4.50                      | 57.21                     |
| Financial Assets                                                                     |       |                           |                           |
| i. Investments                                                                       | 5     | 131.26                    | 130.80                    |
| ii. Other Financial Assets                                                           | 6(d)  | 27.50                     | 29.02                     |
| Deferred Tax Assets (net)                                                            | 7     | 51,706.60                 | 51,706.60                 |
| <b>Total Non-Current Assets</b>                                                      |       | <b>52,510.29</b>          | <b>53,384.21</b>          |
| <b>Current Assets</b>                                                                |       |                           |                           |
| Inventories                                                                          | 8     | -                         | 22.38                     |
| Financial Assets                                                                     |       |                           |                           |
| i. Trade Receivables                                                                 | 6(a)  | 16,616.98                 | 33,927.37                 |
| ii. Cash and Cash Equivalents                                                        | 6(b)  | 372.11                    | 224.96                    |
| iii. Bank Balances other than (ii) above                                             | 6(b)  | 212.10                    | 1,882.09                  |
| iv. Loans                                                                            | 6(c)  | -                         | 1,809.95                  |
| v. Other Financial Assets                                                            | 6(d)  | 4,952.67                  | 9,887.97                  |
| Current Tax Assets (net)                                                             | 9     | 141.51                    | 135.29                    |
| Other Current Assets                                                                 | 10    | 7,568.64                  | 15,774.56                 |
| <b>Total Current Assets</b>                                                          |       | <b>29,864.01</b>          | <b>63,664.57</b>          |
| <b>Total Assets</b>                                                                  |       | <b>82,374.30</b>          | <b>1,17,048.78</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                        |       |                           |                           |
| <b>Equity</b>                                                                        |       |                           |                           |
| Equity Share Capital                                                                 | 11(a) | 3,333.33                  | 3,333.33                  |
| <b>Other Equity</b>                                                                  |       |                           |                           |
| Reserves and Surplus                                                                 | (b)11 | 53,745.23                 | (5,92,474.95)             |
| Equity attributable to owners of the Holding Company                                 |       | 57,078.56                 | (5,89,141.62)             |
| Non-Controlling Interest                                                             |       | 0.13                      | 0.14                      |
| <b>Total Equity</b>                                                                  |       | <b>57,078.69</b>          | <b>(5,89,141.48)</b>      |
| <b>LIABILITIES</b>                                                                   |       |                           |                           |
| <b>Non-Current Liabilities</b>                                                       |       |                           |                           |
| Financial Liabilities                                                                |       |                           |                           |
| i. Borrowings                                                                        | (a)12 | 115.00                    | 115.00                    |
| ii. Lease Liabilities                                                                | 12(c) | 110.67                    | 176.69                    |
| Provisions                                                                           | 14    | 156.48                    | 162.24                    |
| <b>Total Non-Current Liabilities</b>                                                 |       | <b>382.15</b>             | <b>453.93</b>             |
| <b>Current Liabilities</b>                                                           |       |                           |                           |
| Financial Liabilities                                                                |       |                           |                           |
| i. Borrowings                                                                        | 12(b) | 9,483.95                  | 3,09,152.39               |
| ii. Lease Liabilities                                                                | 12(c) | 114.83                    | 86.13                     |
| iii. Trade Payables                                                                  |       |                           |                           |
| - Total outstanding dues of Micro, Small and Medium Enterprises                      | (d)12 | 542.83                    | 186.38                    |
| - Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | (d)12 | 2,264.67                  | 23,601.44                 |
| iv. Other Financial Liabilities                                                      | (e)12 | 9,348.32                  | 3,69,551.89               |
| Other Current Liabilities                                                            | 13    | 3,038.35                  | 3,007.03                  |
| Provisions                                                                           | 14    | 120.51                    | 151.07                    |
| <b>Total Current Liabilities</b>                                                     |       | <b>24,913.46</b>          | <b>7,05,736.33</b>        |
| <b>Total Equity and Liabilities</b>                                                  |       | <b>82,374.30</b>          | <b>1,17,048.78</b>        |

Material Accounting Policies, Judgements, Estimates and Assumptions 1-2

The above Consolidated Balance Sheet should be read in conjunction with the accompanying note nos. 1 to 51

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**For McNally Bharat Engineering Company Limited****(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

**Place:** Kolkata**Date :** 28th May, 2026**(Rajendra Mohan Mathur)**

Chief Executive Officer

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary



## Consolidated Statement of Profit & Loss for the year ended 31st March, 2026

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

| Particulars                                                                      | Notes | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|----------------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| Revenue from Operations                                                          | 15    | 7,351.06                       | 10,501.60                      |
| Other Income                                                                     | 16    | 115.11                         | 90.24                          |
| <b>Total income</b>                                                              |       | <b>7,466.17</b>                | <b>10,591.84</b>               |
| <b>Expenses</b>                                                                  |       |                                |                                |
| Cost of Materials Consumed                                                       | 17    | 1,640.08                       | 1,420.82                       |
| Outsourcing Expenses to Job Workers                                              | -     | 5,558.27                       | 6,694.58                       |
| Employee Benefits Expense                                                        | 18    | 2,334.90                       | 2,511.36                       |
| Finance Costs                                                                    | 19    | 22,242.91                      | 84,850.37                      |
| Depreciation and Amortisation Expenses                                           | 20    | 247.09                         | 296.61                         |
| Other Expenses                                                                   | 21    | 19,853.12                      | 86,195.14                      |
| <b>Total Expenses</b>                                                            |       | <b>51,876.37</b>               | <b>1,81,968.88</b>             |
| <b>Profit/(Loss) before exceptional items</b>                                    |       | <b>(44,410.20)</b>             | <b>(1,71,377.04)</b>           |
| Exceptional Income/(Losses) [Refer Note 22]                                      | 22    | 3,89,143.73                    | (233.67)                       |
| <b>Profit/(Loss) before tax</b>                                                  |       | <b>3,44,733.53</b>             | <b>(1,71,610.71)</b>           |
| <b>Income Tax Expense</b>                                                        | 23    |                                |                                |
| - Current Tax                                                                    |       | -                              | -                              |
| - Income Tax for Earlier years                                                   |       | (221.65)                       | -                              |
| - Deferred tax                                                                   |       | -                              | -                              |
| <b>Total Tax Expense</b>                                                         |       | <b>(221.65)</b>                | <b>-</b>                       |
| <b>Profit/(Loss) for the year</b>                                                |       | <b>3,44,955.18</b>             | <b>(1,71,610.71)</b>           |
| <b>Other Comprehensive Income/(Loss) for the year</b>                            |       |                                |                                |
| <b>Items that will not be reclassified to Profit or Loss</b>                     |       |                                |                                |
| Remeasurements of post-employment benefit plans                                  |       | (61.50)                        | 39.87                          |
| <b>Items that will be reclassified to Profit or Loss</b>                         |       |                                |                                |
| Exchange Difference on translation of foreign operations                         |       | -                              | 17.82                          |
| <b>Other Comprehensive Income/(Loss) for the year</b>                            |       | <b>(61.50)</b>                 | <b>57.69</b>                   |
| <b>Total Comprehensive Income/ (Loss) for the year</b>                           |       | <b>3,44,893.68</b>             | <b>(1,71,553.02)</b>           |
| <b>Profit/(Loss) attributable to:</b>                                            |       |                                |                                |
| Owners of the Holding Company                                                    |       | 3,44,955.19                    | (1,71,610.70)                  |
| Non-Controlling Interest                                                         |       | (0.01)                         | (0.01)                         |
|                                                                                  |       | <b>3,44,955.18</b>             | <b>(1,71,610.71)</b>           |
| <b>Other Comprehensive Income/(Loss) attributable to :</b>                       |       |                                |                                |
| Owners of the Holding Company                                                    |       | (61.50)                        | 57.69                          |
| Non-Controlling Interest                                                         |       | -                              | -                              |
|                                                                                  |       | <b>(61.50)</b>                 | <b>57.69</b>                   |
| <b>Total Comprehensive Income/(Loss) attributable to :</b>                       |       |                                |                                |
| Owners of the Holding Company                                                    |       | 3,44,893.69                    | (1,71,553.01)                  |
| Non-Controlling Interest                                                         |       | (0.01)                         | (0.01)                         |
|                                                                                  |       | <b>3,44,893.68</b>             | <b>(1,71,553.02)</b>           |
| <b>Earnings per share (EPS) for the year (Face value of Rs. 10/- per share):</b> |       |                                |                                |
| Basic (Rs.)                                                                      | 35    | 1,034.87                       | (88.69)                        |
| Diluted (Rs.)                                                                    |       | 1,034.87                       | (88.69)                        |

Material Accounting Policies, Judgement, Estimates and Assumptions

1-2

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying note nos. 1 to 51

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**For McNally Bharat Engineering Company Limited****(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

Place: Kolkata

Date : 28th May, 2026

**(Rajendra Mohan Mathur)**

Chief Executive Officer

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary



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

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

| Particulars                                                                                  | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|----------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <b>Cash flow from Operating Activities</b>                                                   |                                |                                |
| <b>Profit/(Loss) before tax</b>                                                              | <b>3,44,733.53</b>             | <b>(1,71,610.71)</b>           |
| <b>Adjustments for</b>                                                                       |                                |                                |
| Exceptional Income/(Expense)                                                                 | (3,89,143.73)                  | 233.67                         |
| Net Loss on Derecognition of Subsidiary                                                      | 263.14                         | -                              |
| Depreciation                                                                                 | 247.09                         | 296.61                         |
| Finance Costs                                                                                | 22,242.91                      | 84,850.37                      |
| Interest Income                                                                              | (1.01)                         | (85.21)                        |
| Provision for Bad & Doubtful Debts                                                           | (26,430.08)                    | 45,972.37                      |
| Expected credit loss provided for/(written back)                                             | (7,436.08)                     | (11,091.18)                    |
| Provision for Slow moving Stock                                                              | 23.45                          | -                              |
| Bad Debts Written Off                                                                        | 42,276.36                      | 2,481.67                       |
| Claim Recoverable Written off                                                                | 2,662.06                       | 251.40                         |
| Capital Work in Progress written off                                                         | -                              | 462.62                         |
| Provision for Loans and Advances                                                             | 1,744.38                       | -                              |
| Provision for contingency                                                                    | 2,000.00                       | -                              |
| Provision for Doubtful Security Deposits                                                     | 658.68                         | -                              |
| Property, plant and equipment and intangible assets written off                              | 679.97                         | -                              |
| Non Recoverable balances written off                                                         | 7,726.12                       | -                              |
| Provision for Doubtful Debts against Claims Recoverable                                      | -                              | 17,648.25                      |
| Provision for Future Foreseeable Losses in Construction Contracts                            | (6,198.58)                     | 3,239.20                       |
| Unrealised (gain)/ loss on Foreign Currency Translation (Net)                                | 41.30                          | 34.56                          |
| Provision for Advance to Supplier                                                            | 94.36                          | 24,995.04                      |
| Net (gain)/loss on financial assets measured at fair value through profit or loss            | (0.46)                         | (4.65)                         |
| <b>Cash flow from operating activities before change in operating assets and liabilities</b> | <b>(3,816.60)</b>              | <b>(2,325.99)</b>              |
| <b>Change in Operating Assets and Liabilities:</b>                                           |                                |                                |
| (Increase)/Decrease in Trade Receivables                                                     | 8,939.44                       | 2,931.29                       |
| (Increase)/Decrease in Inventories                                                           | (1.06)                         | 14.74                          |
| Increase/(Decrease) in Trade Payables                                                        | (1,405.35)                     | 1,167.26                       |
| (Increase)/Decrease in Other Financial Assets                                                | 1,591.25                       | (617.69)                       |
| (Increase)/decrease in Other Current Assets                                                  | 385.43                         | (1,196.66)                     |
| Increase/(decrease) in Provisions                                                            | (97.83)                        | 66.28                          |
| Increase/ (decrease) in Other Financial Liabilities                                          | (1,394.38)                     | (23.97)                        |
| Increase/ (decrease) in Other Liabilities                                                    | (169.91)                       | (1,761.57)                     |
| <b>Cash generated from Operations</b>                                                        | <b>4,030.98</b>                | <b>(1,746.31)</b>              |
| Income taxes (paid)/Refund                                                                   | 208.86                         | 92.17                          |
| <b>Net cash inflow / (outflow) from Operating Activities</b>                                 | <b>4,239.84</b>                | <b>(1,654.14)</b>              |
| <b>Cash flows from Investing Activities</b>                                                  |                                |                                |
| Loans (given)/repayment received                                                             | -                              | -                              |
| Purchase of Investments                                                                      | -                              | -                              |
| Purchase of Property, Plant and Equipment & Intangible Asset                                 | (1.23)                         | (0.14)                         |
| Deposits matured/(made)                                                                      | 1,671.51                       | (1,582.72)                     |

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

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

| Particulars                                                   | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|---------------------------------------------------------------|--------------------------------|--------------------------------|
| Interest received                                             | 1.01                           | 85.21                          |
| <b>Net cash inflow / (outflow) from Investing Activities</b>  | <b>1,671.29</b>                | <b>(1,497.65)</b>              |
| <b>Cash flows from Financing Activities</b>                   |                                |                                |
| Proceeds from borrowings                                      | 9,483.95                       | 5,707.78                       |
| Repayment of borrowings                                       | (15,118.00)                    | (7,099.51)                     |
| Repayment of Lease liability                                  | (90.28)                        | (74.94)                        |
| Finance cost paid on account of lease liability               | (33.91)                        | (24.93)                        |
| Issue of Share capital                                        | -                              | 3,166.67                       |
| Finance Costs                                                 | -                              | (41.80)                        |
| <b>Net cash inflow / (outflow) from Financing Activities</b>  | <b>(5,758.24)</b>              | <b>1,633.27</b>                |
| <b>Net increase / (decrease) in Cash and Cash Equivalents</b> | <b>152.89</b>                  | <b>(1,518.52)</b>              |
| Cash and cash equivalents at the beginning of the year        | 224.96                         | 1,743.73                       |
| Change in Cash Flow due to derecognition of subsidiary        | (5.74)                         | -                              |
| Effects of exchange rate changes on Cash and Cash Equivalents | -                              | (0.25)                         |
| <b>Cash and Cash Equivalents at end of the year</b>           | <b>372.11</b>                  | <b>224.96</b>                  |

Reconciliation of Cash and Cash Equivalents as per the Statement of Cash Flows

| Particulars                                                     | 31st March 2026 | 31st March 2025 |
|-----------------------------------------------------------------|-----------------|-----------------|
| Cash on hand                                                    | 0.20            | 0.63            |
| Balance with Banks in Current Account                           | 371.91          | 224.33          |
| <b>Total Cash &amp; Cash equivalents at the end of the year</b> | <b>372.11</b>   | <b>224.96</b>   |

### Notes:

The Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 - Statement of Cash Flows.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying note nos. 1 to 51

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**(Aniruddha Sengupta)**

Partner

Membership Number: 051371

Place: Kolkata

Date : 28th May, 2026

**(Rajendra Mohan Mathur)**

Chief Executive Officer

**For McNally Bharat Engineering Company Limited**

**(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Rupayan Majumdar)**

Chief Financial Officer

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

**(Indrani Ray)**

Company Secretary



## Consolidated Statement of Changes in Equity for the year ended 31st March, 2026

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

### A. Equity Share Capital

| Particulars                     | Notes | Equity Share Capital |
|---------------------------------|-------|----------------------|
| As at 31st March, 2024          |       | 21,157.08            |
| Changes in Equity Share Capital | 11(a) | (17,823.74)          |
| As at 31st March, 2025          |       | 3,333.33             |
| Changes in Equity Share Capital | 11(a) | -                    |
| As at 31st March, 2026          |       | 3,333.33             |

### B. Other Equity

| Particulars                                                  | Notes | Reserves and surplus |                   |                            |                                      |                 |                 | Non-Controlling Interests | Total         |
|--------------------------------------------------------------|-------|----------------------|-------------------|----------------------------|--------------------------------------|-----------------|-----------------|---------------------------|---------------|
|                                                              |       | Securities Premium   | Retained Earnings | Capital Redemption Reserve | Foreign Currency Translation Reserve | Capital Reserve | General Reserve |                           |               |
| Balance as at 1st April, 2024                                |       | 1,12,869.05          | (5,56,205.13)     | 101.00                     | (205.73)                             | -               | 1,549.64        | 0.15                      | (4,41,891.02) |
| Profit/(Loss) for the year                                   | 11(b) | -                    | (1,71,610.70)     | -                          | -                                    | -               | -               | (0.01)                    | (1,71,610.71) |
| Other Comprehensive Income/(Loss) for the year               | 11(b) | -                    | 39.87             | -                          | -                                    | -               | -               | -                         | 39.87         |
| Extinguishment of Share Capital in line with Resolution Plan | 11(b) | -                    | 20,969.25         | -                          | -                                    | -               | -               | -                         | 20,969.25     |
| Effects of Exchange rate changes                             | 11(b) | -                    | -                 | -                          | 17.82                                | -               | -               | -                         | 17.82         |
| Balance as at 31st March, 2025                               |       | 1,12,869.05          | (7,06,806.72)     | 101.00                     | (187.91)                             | -               | 1,549.64        | 0.14                      | (5,92,474.81) |
| Profit/(Loss) for the year                                   | 11(b) | -                    | 3,44,955.19       | -                          | -                                    | -               | -               | (0.01)                    | 3,44,955.18   |
| Other Comprehensive Income/(Loss) for the year               | 11(b) | -                    | (61.50)           | -                          | -                                    | -               | -               | -                         | (61.50)       |
| Extinguishment of preference shares                          | 11(b) | 4,476.43             | -                 | -                          | -                                    | -               | -               | -                         | 4,476.43      |
| Financial Liability written back                             | 11(b) | -                    | 2,95,687.14       | -                          | -                                    | 975.00          | -               | -                         | 2,96,662.14   |
| FCTR reclassified to profit and loss                         | 11(b) | -                    | -                 | -                          | 187.91                               | -               | -               | -                         | 187.91        |
| Balance as at 31st March, 2026                               |       | 1,17,345.48          | (66,225.89)       | 101.00                     | -                                    | 975.00          | 1,549.64        | 0.13                      | 53,745.36     |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying note nos. 1 to 51.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

### Corporate Information

McNally Bharat Engineering Company Limited ("the Holding Company") is a Company limited by shares, incorporated and domiciled in India under the Companies Act, 2013 ("Act"). The registered office and Corporate Office are located at Campus 2B, Ecospace Business Park, 11F/12 Rajarhat, New Town, Kolkata- 700156. The Holding company together with its subsidiary are referred hereinafter as "the Group." The Holding Company's Equity Shares are listed on National Stock Exchange and Bombay Stock Exchange. The Group is engaged in diversified construction activities, primarily execution of Turnkey Projects.

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide order dated 29.04.2022 while admitting application, under section 7 of the Insolvency and Bankruptcy Code, 2016, of one of the financial creditors, initiated Corporate Insolvency Resolution Process against the Holding Company. CA Anuj Jain (IBBI/IPA-001/IP-P00142/2017-18/10306) was initially appointed as the Interim Resolution Professional in the said matter. Subsequently, Mr. Ravi Sethia (IBBI/IPA-001/IP-P 01305/2018-2019/12052) has been appointed as Resolution Professional (RP) vide NCLT order dated 26.08.2022.

The Hon'ble NCLT approved the Resolution Plan of one of the resolution applicants, namely M/s BTL EPC Limited, the Successful Resolution Applicant ("SRA") vide Order dated 19th December 2023 and a Monitoring Committee ("MC"), replacing the CoC, was formed in accordance with the said Order (the "Approved Resolution Plan"). As implementation and payment of the Approved Resolution Plan could not be completed within the timelines originally stipulated, the Hon'ble NCLT, vide its subsequent orders dated 3rd December 2024 and 23rd September 2025, extended the Effective Date for implementation of the Resolution Plan to 6th January 2025 and the timeline for payment of the cash consideration to 30th September 2025. During the year ended 31st March 2026, the SRA completed the payment obligations in respect of the cash consideration under the Approved Resolution Plan as updated by the aforesaid NCLT orders. The Holding Company has accordingly given effect to the approved Resolution Plan in these consolidated financial statements. 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.

The Board has approved the consolidated financial statements for the year ended 31st March, 2026, authorized for issue on 28th May, 2026. The financial statements once approved by the Board of directors needs to be adopted by the shareholders at the annual general meeting of the Holding Company.

### Note 1: Material Accounting Policies

#### (a) Basis of Preparation of Consolidated Financial Statements

##### (i) Compliance with Ind AS

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

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

##### (ii) Historical cost convention

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

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

##### (iii) Current versus Non-Current Classification

All assets and liabilities have been classified as current or non - current as per the Group's normal operating cycle



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained, on an average its operating cycle for the purpose of current – non-current classification of assets and liabilities to be 12 to 24 months.

### (iv) Use of estimates and judgements

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

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

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

### (b) Segment Reporting

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

### (c) Foreign Currencies

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

### (i) Functional Currency

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

### (ii) Transactions and Balances

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

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

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

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

are reported as part of the fair value gain or loss.

### (d) Revenue Recognition

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

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

### (i) Sale of Goods and Services

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

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

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

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

### (ii) Construction Contracts

Revenue from contracts is 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.



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

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 (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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

### **(iv) Export Benefits**

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

### **(v) Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

### **(e) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax 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.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity. In such cases, the taxes are also recognised in Other Comprehensive Income or directly in Equity, as the case may be.

### (f) Leases

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

As a Lessee (Assets taken on lease)

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

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or those payments occur.

As a Lessor

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

### (g) Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset/cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.



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

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

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

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

### **(h) Cash and Cash Equivalents**

For the purpose of presentation in the Consolidated Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand, demand deposits with banks, other short-term deposits, highly liquid investments, if any, with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet. Other Bank balances include fixed deposits, margin money deposits and earmarked balances with banks which have restrictions on repatriation.

### **(i) Trade Receivables**

Trade receivables are recognized initially at the transaction price and subsequently recognized at amortised cost less provision for impairment.

### **(j) Inventories**

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

### **(k) Financial Liabilities**

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

#### **(i) Classification**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

### (ii) Measurement

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

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

### (iii) De-recognition of financial liabilities:

A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

## (I) Investments and Other Financial Assets

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

### (i) Classification

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

- Those to be measured subsequently at fair value through profit or loss, and
- Those measured at amortized cost.
- Those to be measured subsequently at fair value through other comprehensive income, and

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

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

### (ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price. Further, in respect of retention amount receivable from customers the management generally has intention to provide bank guarantee to get an instant release of retention amount from customers. Therefore, the retention amounts are generally carried at amortized cost less provision for impairment.

Investments in Subsidiaries and Joint Ventures are recognized at cost as per Ind AS 27 "Separate Financial Instruments" less impairment provision, if any, as per Ind AS 36 "Impairment of Financial Assets". Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint venture and associates the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

- (a) Debt instruments measured at amortized cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

Interest income from these financial assets is included in finance income using the effective interest rate method.

- (b) Equity instruments at Fair value through Profit or loss (FVTPL) - The Group subsequently measures all equity investments other than in subsidiaries and joint venture at fair value through profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of equity instruments at fair value through profit or loss are recognized in other gain/ (losses) in the Consolidated Statement of Profit and Loss. The Group has not selected the irrevocable option of classifying investments to be carried at Fair Value through Other Comprehensive Income (FVOCI).

### (iii) Impairment of Financial Assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not valued through profit or loss. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group provides for expected credit loss allowance by taking into consideration historical trend, industry practices and the business environment in which the Group operates. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

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

### (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 Consolidated Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

### (o) Property, Plant and Equipment

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

- i. it is probable that future economic benefits associated with the item will flow to the entity; and
- ii. the cost of an item can be measured reliably.

All items of Property, Plant and Equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

respective asset if the recognition criteria for provisions are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Group intends to use these during more than a period of 12 months.

Property, plant and equipment which are not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use.

### (i) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which in a case is different than those specified by Schedule II to the Act, in order to reflect the actual usage of the assets as given below. The residual values are not more than 5% of the original cost of the asset. The estimated useful lives and residual values are reviewed at the end of each financial year, and the effect of any changes in the estimates will be accounted for prospectively.

Class of Assets      Useful Lives as followed by the management

Plant and Machinery 3 to 20 years

Management believes that useful lives of these assets reflect the periods over which these assets are expected to be used.

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

### (p) Investment Properties

Property that is held for long term rental yields or for capital appreciation or both, and is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost,

including related transaction costs and where applicable borrowing costs.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to Statement of Profit and Loss during the reporting period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced cost is derecognized.

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

On transition to Ind AS, the group has elected to continue with the carrying value of its investment properties measured at the previous GAAP and use that carrying value as the deemed cost of investment properties.

### (q) Intangible Assets

Intangible Assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment, if any.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is



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

greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

On transition to Ind AS, the Group has elected to continue with the carrying value of its intangible assets measured at the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **(i) Computer Software**

Costs incurred on computer software resulting in future economic benefits are capitalized as Intangible Assets.

Intangible Assets acquired are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

### **(ii) Research and Development**

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

Development costs are recognised as intangible assets when the following criteria are met:

1. it is technically feasible to complete the intangible asset so that it will be available for use,
2. management intends to complete the intangible asset and use or sell it,
3. there is an ability to use or sell the intangible asset,
4. it can be demonstrated how the intangible asset will generate probable future economic benefits,
5. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
6. the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

### **(iii) Amortisation methods and periods**

Computer software is amortized on a straight-line basis over a period of three years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other gains/ losses.

### **(i) Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating unit for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

### (r) Trade and Other Payables

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

### (s) Borrowings

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

Preference Shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these Preference Shares are recognized in the Consolidated Statement of Profit and Loss as finance costs.

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

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

### (t) Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

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

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 reporting date. Where the effect of the time value of money is material, future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks 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.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

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

### (v) Employee Benefits

#### (i) Short – term Obligations

Liabilities for wages and salaries, including compensated absences which are expected to be availed or encashed within 12 months after the year end and non - monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as non-current liabilities in the Consolidated Balance Sheet, if the entity does not expect actual settlement will occur within the operating cycle after the reporting period.

Employees' State Insurance Scheme: Contribution to Central Government of India administered Employees' State Insurance Scheme for eligible employees is recognized as charge in the Consolidated Statement of Profit and Loss in the year in which they are accrued.

#### (ii) Other Long Term Employee Benefit Obligations

The liabilities for earned leave, sick leave and long service award are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit Method. The benefits are discounted using the yield on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur.

The obligations are presented as current liabilities in the Consolidated Balance Sheet if the entity does not have an unconditional right to defer settlement for at least the operating cycle after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Defined Benefit Plans

The Group operates defined benefit plans such as Gratuity, Post - employment medical obligations and Provident Fund (administered by independent Trust).

The Group provides for gratuity covering eligible employees in accordance with Payment of Gratuity Act, 1972. The plan provides for lump sum payment to vested employees at retirement, death, incapacitation or termination of employment. The gratuity fund is administered by independent Trustees. Plan assets are managed by Life Insurance Corporation of India (LIC).

The Group provides for post – retirement medical benefits to eligible retired employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. The policy has been discontinued during the year after prior intimation to the beneficiaries.

The liability or asset recognized in the Consolidated Balance Sheet in respect of the above defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### - Superannuation Fund

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

The Group maintained a Trust, till 31st March 2024, for depositing provident fund contributions. However, with effect from 1st April 2024, the Employees' Provident Fund Organisation (EPFO) issued a notice withdrawing the exemption granted to the Trust. The balance lying with the Trust is in the process of being transferred to the Regional Provident Fund Authorities.

### - Gratuity

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

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

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

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

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

### - Bonus plans

The Group recognizes a liability and an expense for bonus. The Group recognizes a provision only where statutory liability to pay bonus exists.

## **(w) Non- Current Assets held for sale.**

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

- a) The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- b) An active programme to locate a buyer and complete the plan has been initiated (if applicable),



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

- c) The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

### (x) Other Assets held for sale

Any other asset (tangible or intangible) held for sale is disclosed separately in Financial Statements, as appropriate. PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

### (y) Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether the equity instruments or assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of the

- Fair values of the assets transferred;
- Liabilities incurred to the former owners of acquired business;
- Equity interests issued by group; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values acquisition date.

Acquisition-related costs are expensed as incurred. The excess of the:

- Consideration transferred;
- Amount of any non-controlling interest in acquired entity, and
- Acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase is recognized directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

### (z) Exceptional items

When items of income and expenses within the statement of profit and loss from ordinary activities are of such size,

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

nature and/or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### **(aa) Contributed Equity**

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

### **(ab) Dividends Payment**

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

### **(ac) Earnings Per Share**

#### **(i) Basic Earnings Per Share**

Basic Earnings Per Share is calculated by dividing:

- Profit/ (Loss) attributable to equity shareholders of the Group
- By the weighted average number of Equity Shares outstanding during the financial year.

#### **(ii) Diluted Earnings Per Share**

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

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

### **(ad) Principles of consolidation and Equity Accounting**

#### **- Subsidiaries**

Subsidiaries are all entities over which the Holding Company has control. The Holding Company controls an entity when it is exposed to or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Holding Company. They are deconsolidated from the date that control ceases.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the reporting period. Any exchange difference arising on consolidation is recognised in Foreign Currency Translation Reserve.

The unaudited financial statements of foreign subsidiaries, its associates and joint venture have been prepared in accordance with Generally Accepted Accounting Policies of its Country of Incorporation.

The acquisition method of accounting is used to account for business combination.

The Holding Company combines the financial statements of itself and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Holding Company.



Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

#### - Joint Arrangements

Under Ind AS 111 Joint arrangements, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Holding Company has a joint venture. The Financial Statements of the Joint Ventures has not been considered in the Consolidated Financial Results.

### **(ac) Recent pronouncements**

The Ministry of Corporate Affairs (MCA) notifies new standards and/or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2026, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 applicable to the companies included in the Consolidated Financial Statements.

#### Ind AS 7 and Ind AS 107 – Supplier Finance Arrangements

The amendments mandates to disclose the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The amendments are effective for annual reporting periods beginning on or after 1st April 2025.

#### Ind AS 1 and Ind AS 10 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments clarify the principles for classifying liabilities as current or non-current, including that the right to defer settlement must exist at the reporting date and that the classification of a liability is not affected by management's intention to exercise such right. The amendments also introduce additional disclosure requirements for non-current liabilities where the right to defer settlement is subject to compliance with future loan covenants within twelve months after the reporting period. Further, where a breach of a material loan covenant on or before the reporting date results in a liability becoming payable on demand, the liability is required to be classified as current, even if the lender subsequently agrees, before the financial statements are approved for issue, not to demand repayment

for at least twelve months.

#### Ind AS 12 - International Tax Reform—Pillar Two Model Rules

The amendments are made in response to the OECD's BEPS Pillar Two rules and include, a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes

arising from that legislation, particularly before its effective date.

The mandatory temporary exception applies immediately and the remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The notification also includes consequential and editorial amendments to certain Ind AS to improve consistency and alignment with corresponding IFRS updates.

The amendments had no impact on Group's Consolidated financial statements.

### **(af) Rounding off amounts**

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest lakhs (with two places of decimal) as per the requirement of Schedule III to the Act, unless otherwise stated.

### **Note 2: Significant Accounting Judgements, Estimates and Assumptions**

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

In the process of applying the Group's accounting policies, management has made the following estimates, judgements and assumptions which have the significant effect on the amounts recognized in the Consolidated Financial Statements:

1. Going Concern Assumptions
2. Expected cost of completion of Contracts.
3. Fair value measurement of Financial Instruments.
4. Recognition of Deferred Tax Assets for carried forward tax losses
5. Impairment of Trade Receivables and Due from Customers
6. Provisions, Claims and Contingent Liabilities
7. Estimation of Defined Benefits Obligation
8. Useful life of Property, Plant and Equipment

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 to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 3: Property, Plant and Equipment

| Particulars                                       | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipment | Total      | Capital work-in-progress | Right to Use Assets |
|---------------------------------------------------|-------------------|----------------------|----------|------------------|------------|--------------------------|---------------------|
| <b>1st April, 2024</b>                            |                   |                      |          |                  |            |                          |                     |
| <b>Gross Carrying Amount</b>                      |                   |                      |          |                  |            |                          |                     |
| Opening gross carrying amount                     | 9,766.08          | 678.35               | 44.64    | 109.97           | 10,599.04  | 462.62                   | 194.94              |
| Additions                                         | 0.15              | -                    | -        | -                | 0.15       | -                        | 298.99              |
| Adjustments/Disposals                             | -                 | -                    | -        | -                | -          | (462.62)                 | (194.94)            |
| <b>Closing Gross Carrying Amount</b>              | 9,766.23          | 678.35               | 44.64    | 109.97           | 10,599.19  | -                        | 298.99              |
| <b>Accumulated Depreciation</b>                   |                   |                      |          |                  |            |                          |                     |
| Opening Accumulated Depreciation                  | 8,404.14          | 652.60               | 41.37    | 80.36            | 9,178.47   | -                        | 162.45              |
| Depreciation charged during the year              | 201.80            | 4.37                 | 0.70     | 2.43             | 209.30     | -                        | 82.32               |
| <b>Adjustments/Disposals</b>                      | -                 | -                    | -        | -                | -          | -                        | (194.94)            |
| <b>Closing Accumulated Depreciation</b>           | 8,605.94          | 656.96               | 42.07    | 82.79            | 9,387.77   | -                        | 49.83               |
| <b>Net carrying amount as at 31st March, 2025</b> | 1,160.29          | 21.39                | 2.57     | 27.18            | 1,211.42   | -                        | 249.16              |
| <b>1st April, 2025</b>                            |                   |                      |          |                  |            |                          |                     |
| <b>Gross Carrying Amount</b>                      | 9,766.23          | 678.35               | 44.64    | 109.97           | 10,599.19  | -                        | 298.99              |
| Additions                                         | 1.23              | -                    | -        | -                | 1.23       | -                        | 67.90               |
| Adjustments/Disposals*                            | (5,050.20)        | (664.10)             | (22.28)  | (74.84)          | (5,811.42) | -                        | -                   |
| <b>Closing Gross Carrying Amount</b>              | 4,717.26          | 14.25                | 22.36    | 35.13            | 4,789.00   | -                        | 366.89              |
| <b>Accumulated Depreciation</b>                   |                   |                      |          |                  |            |                          |                     |
| Opening Accumulated Depreciation                  | 8,605.94          | 656.96               | 42.07    | 82.79            | 9,387.77   | -                        | 49.83               |
| Depreciation charged during the year              | 137.30            | 2.18                 | -        | 1.59             | 141.08     | -                        | 101.02              |
| Adjustments due to modification of lease          | -                 | -                    | -        | -                | -          | -                        | 14.94               |
| Adjustments/Disposals*                            | (4,458.66)        | (645.43)             | (20.84)  | (54.25)          | (5,179.18) | -                        | -                   |
| <b>Closing Accumulated Depreciation</b>           | 4,284.58          | 13.71                | 21.23    | 30.14            | 4,349.67   | -                        | 165.79              |
| <b>Net carrying amount as at 31st March, 2026</b> | 432.68            | 0.54                 | 1.13     | 4.99             | 439.33     | -                        | 201.10              |

\* During the year, the holding company has conducted physical verification of its property, plant and equipment and the assets which were not physically available are written off having net impact amounting to Rs. 632.24 Lakhs in "Other Expenses" under the head "Loss on disposal of Property Plant and Equipment".

#### (i) Property, Plant and Equipment pledged as Security

Refer to note 37 on Property, Plant and Equipment pledged as security by the Holding Company.

#### (ii) Capital Commitments

Refer to note 28 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 4: Other Intangible Assets

| Particulars                                       | Computer Software * |
|---------------------------------------------------|---------------------|
| <b>1st April, 2024</b>                            |                     |
| <b>Gross Carrying Amount</b>                      |                     |
| Opening Gross Carrying Amount                     | 88.53               |
| Additions                                         | -                   |
| <b>Closing Gross Carrying amount</b>              | <b>88.53</b>        |
| <b>Accumulated Amortisation</b>                   |                     |
| Opening Accumulated Amortisation                  | 26.33               |
| Amortisation charge for the year                  | 4.99                |
| <b>Closing accumulated amortisation</b>           | <b>31.32</b>        |
| <b>Net carrying amount as at 31st March, 2025</b> | <b>57.21</b>        |
| <b>1st April, 2025</b>                            |                     |
| <b>Gross Carrying Amount</b>                      |                     |
| Opening Gross Carrying Amount                     | 88.53               |
| Additions                                         | -                   |
| Adjustments/Disposals**                           | (44.47)             |
| <b>Closing Gross Carrying amount</b>              | <b>44.06</b>        |
| <b>Accumulated Amortisation</b>                   |                     |
| Opening Accumulated Amortisation                  | 31.32               |
| Amortisation charge for the year                  | 4.99                |
| Adjustments/Disposals**                           | 3.25                |
| <b>Closing accumulated amortisation</b>           | <b>39.56</b>        |
| <b>Net carrying amount as at 31st March, 2026</b> | <b>4.50</b>         |

\*Computer software consists of other than internally generated intangible assets.

\*\*During the year, the holding company has verified the existence of its intangible assets and the assets which were obsolete are written off, having net impact amounting to Rs. 47.72 Lakhs in "Other Expenses" under the head "Loss on disposal of Property Plant and Equipment".

### Note 5: Non-current Investments

| Particulars                                                                                                                                 | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Investments in Equity Instruments (fully paid-up)</b>                                                                                    |                           |                           |
| <b>Equity Instruments carried at Fair Value Through Profit or Loss</b>                                                                      |                           |                           |
| <b>Quoted</b>                                                                                                                               |                           |                           |
| 10,960 (31st March, 2025 : 10,960) Equity Shares of Rs. 5/- each of Eveready Industries India Limited                                       | 28.79                     | 33.23                     |
| 10,960 (31st March, 2025 : 10,960) Equity Shares of Rs. 5/- each of McLeod Russel India Limited                                             | 3.18                      | 3.70                      |
| <b>Total (Equity Instruments)</b>                                                                                                           | <b>31.97</b>              | <b>36.93</b>              |
| <b>Investment in Mutual Funds carried at fair value through profit or loss</b>                                                              |                           |                           |
| <b>Unquoted</b>                                                                                                                             |                           |                           |
| 362,970.078 (31st March, 2025 : 362,970.078) units of HSBC Short Duration Fund- Regular Growth (Formerly L&T Short Term Bond Fund - Growth) | 99.29                     | 93.87                     |
| <b>Total (Mutual Funds)</b>                                                                                                                 | <b>99.29</b>              | <b>93.87</b>              |
| <b>Total Non-current Investments</b>                                                                                                        | <b>131.26</b>             | <b>130.80</b>             |
| Aggregate market value of quoted investments                                                                                                | 31.97                     | 36.93                     |
| Aggregate amount of unquoted investments                                                                                                    | 99.29                     | 93.87                     |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 6(a): Trade receivables

| Particulars                                                                            | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Unsecured</b>                                                                       |                           |                           |
| Trade Receivables - Considered good                                                    | 18,415.27                 | 33,927.37                 |
| Trade Receivables - Credit impaired                                                    | 45,846.03                 | 78,903.42                 |
|                                                                                        | 64,261.30                 | 1,12,830.79               |
| Less: Allowance for Doubtful Receivables and Expected Credit loss (Refer Note 25(iii)) | (47,644.32)               | (78,903.42)               |
| <b>Total Trade Receivables</b>                                                         | <b>16,616.98</b>          | <b>33,927.37</b>          |
| Current                                                                                | 16,616.98                 | 33,927.37                 |

### Trade Receivables Ageing Schedule as at 31st March, 2026

| Particulars                                                             | Unbilled      | Less than<br>6 months | 6 months<br>- 1 year | 2-1 years     | 3-2<br>years  | More than<br>3 years | Total            |
|-------------------------------------------------------------------------|---------------|-----------------------|----------------------|---------------|---------------|----------------------|------------------|
| Undisputed Receivables - Considered Good                                | 112.24        | 1507.89               | 253.29               | 467.53        | 541.43        | 1,831.35             | 4,713.73         |
| Undisputed Receivables - Which have significant increase in credit risk |               | -                     | -                    | -             | -             | -                    | -                |
| Undisputed Receivables - Credit Impaired                                |               | -                     | -                    | -             | -             | 17,279.59            | 17,279.59        |
| Disputed Receivables - Considered Good                                  |               | -                     | -                    | -             | -             | 13,701.54            | 13,701.54        |
| Disputed Receivables - Which have significant increase in credit risk   |               | -                     | -                    | -             | -             | -                    | -                |
| Disputed Receivables - Credit Impaired                                  |               | -                     | -                    | -             | -             | 28,566.44            | 28,566.44        |
| <b>Total Receivables</b>                                                | <b>112.24</b> | <b>1,507.89</b>       | <b>253.29</b>        | <b>467.53</b> | <b>541.43</b> | <b>61,378.92</b>     | <b>64,261.30</b> |
| Less: Allowance for Doubtful trade receivables (including ECL)          |               |                       |                      |               |               |                      | (47,644.32)      |
| <b>Total Trade Receivables</b>                                          |               |                       |                      |               |               |                      | <b>16,616.98</b> |

### Trade Receivables Ageing Schedule as at 31st March, 2025

| Particulars                                                             | Unbilled | Less than<br>6 months | 6 months<br>- 1 year | 1-2<br>years  | 2-3<br>years    | More than<br>3 years | Total              |
|-------------------------------------------------------------------------|----------|-----------------------|----------------------|---------------|-----------------|----------------------|--------------------|
| Undisputed Receivables - Considered Good                                |          | 2,361.33              | 670.20               | 595.86        | 1,389.88        | 1,857.86             | 6,875.13           |
| Undisputed Receivables - Which have significant increase in credit risk | -        | -                     | -                    | -             | -               | -                    | -                  |
| Undisputed Receivables - Credit Impaired                                | -        | -                     | -                    | -             | -               | 78,903.42            | 78,903.42          |
| Disputed Receivables - Considered Good                                  | -        | 414.33                | 190.28               | 2.69          |                 | 26,444.94            | 27,052.24          |
| Disputed Receivables - Which have significant increase in credit risk   | -        | -                     | -                    | -             | -               | -                    | -                  |
| Disputed Receivables - Credit Impaired                                  | -        | -                     | -                    | -             | -               | -                    | -                  |
| <b>Total Receivables</b>                                                | <b>-</b> | <b>2,775.66</b>       | <b>860.48</b>        | <b>598.55</b> | <b>1,389.88</b> | <b>1,07,206.22</b>   | <b>1,12,830.79</b> |
| Less: Allowance for Doubtful trade receivables (including ECL)          |          |                       |                      |               |                 |                      | (78,903.42)        |
| <b>Total Trade Receivables</b>                                          |          |                       |                      |               |                 |                      | <b>33,927.37</b>   |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 6(b): Cash and cash Equivalents

| Particulars                                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------|---------------------------|---------------------------|
| Balances with Banks                           |                           |                           |
| - in Current Accounts*                        | 371.91                    | 224.33                    |
| Cash on hand (As certified by the Management) | 0.20                      | 0.63                      |
| <b>Total Cash and Cash Equivalents</b>        | <b>372.11</b>             | <b>224.96</b>             |
| <b>Other Bank Balances</b>                    |                           |                           |
| Earmarked balances with banks*                | 211.35                    | 1,881.34                  |
| Deposits with bank*                           | 0.75                      | 0.75                      |
| <b>Total other bank balances</b>              | <b>212.10</b>             | <b>1,882.09</b>           |

\*The above figures are subject to balance confirmation from Bank

### Note 6(c): Loans

| Particulars                                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------|---------------------------|---------------------------|
| <b>Unsecured</b>                              |                           |                           |
| Loans to subsidiaries - Credit impaired       | -                         | 1,425.12                  |
| Loan to others (Refer Note 38)                | 1,744.38                  | 1,809.95                  |
| Less: Allowance for doubtful loan receivables | (1,744.38)                | (1,425.12)                |
| <b>Total Loans</b>                            | <b>-</b>                  | <b>1,809.95</b>           |

### Note 6(d): Other financial assets

| Particulars                              | As at<br>31st March, 2026 |                 | As at<br>31st March, 2025 |                 |
|------------------------------------------|---------------------------|-----------------|---------------------------|-----------------|
|                                          | Current                   | Non-current     | Current                   | Non-current     |
| Security Deposits*                       | -                         | 776.96          | -                         | 1,354.95        |
| Deposit with Joint Venture               | -                         | 4,149.09        | -                         | 4,149.09        |
| Advance to Employees                     | -                         | 1.11            | -                         | 1.87            |
| Due from customers (Net) (Refer note 25) | -                         | -               | -                         | 1,543.79        |
| Claims Recoverable (Refer note 25(A))    | -                         | -               | -                         | 2,828.71        |
| Earmarked Balances with bank**           | 12.04                     | -               | 13.56                     | 3.83            |
| Receivable from related parties          | -                         | 16.38           | -                         | -               |
| Other Receivables                        | 15.46                     | 9.13            | 15.46                     | 5.73            |
| <b>Total Other Financial Assets</b>      | <b>27.50</b>              | <b>4,952.67</b> | <b>29.02</b>              | <b>9,887.97</b> |

\*Balance is net of provision on Doubtful Security Deposits amounting to Rs. 658.68 Lakhs (P.Y. Nil). Further, Security Deposits includes Rs 552 Lakhs deposited as per direction of High court order against arbitration case. Consequently, no interest income has been recognized on the said deposit upto 31st March 2026.

\*\* Earmarked balances (which also includes interest accrued on deposit) with banks represent deposits maintained as margin money against bank guarantees and balances held with various statutory and other authorities. The aforesaid balance is stated net off provision amounting to Rs. 33.74 Lakhs (Previous Year: Rs. Nil).



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 7: Deferred Tax Assets (Net)

| Particulars                                                                                                                     | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Deferred Tax Assets on :</b>                                                                                                 |                           |                           |
| Tax losses                                                                                                                      | 51,540.39                 | 51,540.39                 |
| Difference in WDV of Property, Plant & Equipment and Intangible Assets between the Companies Act, 2013 and Income Tax Act, 1961 | 166.21                    | 166.21                    |
| <b>Total Deferred Tax Assets</b>                                                                                                | <b>51,706.60</b>          | <b>51,706.60</b>          |

The Holding Company had recognized Deferred Tax Assets amounting to Rs 51,706.60 Lakhs up to 31st March, 2018 and retains such value after due assessment. The Company has unabsorbed business losses available for set-off against future profits and the management expects improved business performance and profitability in the coming years. Hence, recognition of deferred tax assets has been continued.

### Note 8: Inventories

| Particulars              | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|--------------------------|---------------------------|---------------------------|
| Raw Materials *          | -                         | 22.38                     |
| <b>Total Inventories</b> | <b>-</b>                  | <b>22.38</b>              |

\*Net of provision on slow and non moving inventories amounting to Rs. 76.51 Lakhs (P.Y. Rs. 53.20 Lakhs).

### Note 9: Current Tax Assets (Net)

| Particulars                           | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------|---------------------------|---------------------------|
| Advance Income Tax*                   | 141.51                    | 135.29                    |
| <b>Total Current Tax Assets (net)</b> | <b>141.51</b>             | <b>135.29</b>             |

\* Net of provisions Rs. Nil (P.Y. Rs. 393.17 Lakhs)

### Note 10: Other Current Assets

| Particulars                                                              | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|--------------------------------------------------------------------------|---------------------------|---------------------------|
| Advance to suppliers & others*                                           | 31.05                     | 143.18                    |
| Balance with statutory and government authorities (Refer Note 41 and 42) | 7,341.53                  | 15,397.26                 |
| Prepaid Expenses                                                         | 196.06                    | 234.12                    |
| <b>Total Other Current Assets</b>                                        | <b>7,568.64</b>           | <b>15,774.56</b>          |

\* The said balance is net of provision on doubtful advances amounting to Rs. 94.36 Lakhs

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 11: Equity Share Capital and Other Equity

#### 11(a) Equity Share Capital

| Particulars                                                                                 | As at 31st March, 2026 |                  | As at 31st March, 2025 |                  |
|---------------------------------------------------------------------------------------------|------------------------|------------------|------------------------|------------------|
|                                                                                             | Number of Shares       | Amount           | Number of Shares       | Amount           |
| <b>Authorised</b>                                                                           |                        |                  |                        |                  |
| As at 31st March, 2024                                                                      | 24,00,00,000           | 24,000.00        | 14,00,00,000           | 14,000.00        |
| As at 31st March, 2025                                                                      | 24,00,00,000           | 24,000.00        | 14,00,00,000           | 14,000.00        |
| <b>As at 31st March, 2026</b>                                                               | <b>24,00,00,000</b>    | <b>24,000.00</b> | <b>14,00,00,000</b>    | <b>14,000.00</b> |
| <b>Issued, Subscribed and Paid up:</b>                                                      |                        |                  |                        |                  |
| As at 31st March, 2024                                                                      | 21,15,70,757           | 21,157.08        | -                      | -                |
| <b>Movements in Share Capital (Refer Note 41)</b>                                           |                        |                  |                        |                  |
| a) Extinguishment of Share Capital in line with Resolution Plan                             | (21,15,70,757)         | (21,157.08)      | -                      | -                |
| b) Allotment of fresh share in line with Resolution plan - Mandal Vyapar Private Limited    | 3,00,00,000            | 3,000.00         | -                      | -                |
| c) Allotment of fresh share in line with Resolution plan - Secured Financial Institution    | 16,00,850              | 160.09           | -                      | -                |
| d) Allotment of fresh share in line with Resolution plan - Un-Secured Financial Institution | 65,817                 | 6.58             | -                      | -                |
| e) Allotment of fresh share in line with Resolution plan - Existing Share Holder            | 16,66,667              | 166.67           | -                      | -                |
| <b>As at 31st March, 2025</b>                                                               | <b>3,33,33,334</b>     | <b>3,333.33</b>  | <b>-</b>               | <b>-</b>         |
| Changes during the year                                                                     | -                      | -                | -                      | -                |
| <b>As at 31st March, 2026</b>                                                               | <b>3,33,33,334</b>     | <b>3,333.33</b>  | <b>-</b>               | <b>-</b>         |

#### i) Terms and Rights attached to Equity Shares:

Each Equity Share has a par value of Rs 10/-. It entitles the holder to participate in dividends, and to share upon liquidation of the company in proportion to the number of shares held and amounts paid thereon. Every holder of Equity Shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

#### ii) Shares of the Company held by Holding Company:

By virtue of implementation of Resolution Plan, Mandal Vyapar Private Limited holds 300 Lakh shares of the Company which constitutes of 90% of the share capital. Consequently, Mandal Vyapar Private Limited has become the holding company of the McNally Bharat Engineering Company Limited.

#### iii) Details of shareholders holding more than 5% of the aggregate Equity Shares in the Company:

| Name of the Shareholder       | As at 31st March, 2026 |           | As at 31st March, 2025 |           |
|-------------------------------|------------------------|-----------|------------------------|-----------|
|                               | Number of Shares       | % holding | Number of Shares       | % holding |
| Mandal Vyapar Private Limited | 30,00,00,000           | 90.00     | 30,00,00,000           | 90.00     |

#### iv) Shares held by promoters at the end of the year:

| Name of the Shareholder       | As at 31st March, 2026 |              | As at 31st March, 2025 |           | % Change during the year* |
|-------------------------------|------------------------|--------------|------------------------|-----------|---------------------------|
|                               | Number of Shares       | % holding    | Number of Shares       | % holding |                           |
| Mandal Vyapar Private Limited | 30,00,00,000           | 90.00        | 30,00,00,000           | 90.00     | 0.00%                     |
| <b>Total</b>                  | <b>30,00,00,000</b>    | <b>90.00</b> | <b>30,00,00,000</b>    |           |                           |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 11(b): Other Equity

| Particulars                          | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|--------------------------------------|---------------------------|---------------------------|
| General Reserve                      | 1,549.64                  | 1,549.64                  |
| Retained Earnings                    | (66,225.89)               | (7,06,806.72)             |
| Securities Premium                   | 1,17,345.48               | 1,12,869.05               |
| Capital Redemption Reserve           | 101.00                    | 101.00                    |
| Foreign Currency Translation Reserve | -                         | (187.91)                  |
| Capital Reserve                      | 975.00                    | -                         |
| <b>Total Reserves and Surplus</b>    | <b>53,745.23</b>          | <b>(5,92,474.95)</b>      |

#### (i) General Reserve

| Particulars                     | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------|---------------------------|---------------------------|
| As per last Financial Statement | 1,549.64                  | 1,549.64                  |
| <b>Closing balance</b>          | <b>1,549.64</b>           | <b>1,549.64</b>           |

#### Nature and purpose:

The reserve is a part of Retained Earnings. This reserve can be utilised in accordance with the provisions of the Act.

#### (ii) Retained Earnings

| Particulars                                                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------|---------------------------|---------------------------|
| As per last Financial Statement                               | (7,06,806.72)             | (5,56,205.13)             |
| Net profit /(loss) for the year                               | 3,44,955.19               | (1,71,610.71)             |
| Items of OCI directly transferred to retained earnings        | (61.50)                   | 39.87                     |
| Extinguishment of Share Capital in line with Resolution Plan* | -                         | 20,969.25                 |
| Add: Transferred from Capital Reserve (Refer Note 41 and 42)  | 2,95,687.14               | -                         |
| <b>Closing balance</b>                                        | <b>(66,225.89)</b>        | <b>(7,06,806.72)</b>      |

#### Nature and purpose:

This reserve represents the cumulative profits of the company. This reserve can be utilised in accordance with the provisions of the Act.

\*This amount represents net off effect of extinguishment of existing share capital and fresh issue of share capital as per Resolution Plan and payment made to existing shareholders as a gesture of goodwill of Rs. 21.16 Lakhs (Refer Note 41)

#### (iii) Securities Premium

| Particulars                                                | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|------------------------------------------------------------|---------------------------|---------------------------|
| As per last Financial Statement                            | 1,12,869.05               | 1,12,869.05               |
| Extinguishment of preference shares (Refer Note 41 and 42) | 4,476.43                  | -                         |
| <b>Closing balance</b>                                     | <b>1,17,345.48</b>        | <b>1,12,869.05</b>        |

#### Nature and purpose:

Securities Premium has arisen on issue of Shares. The Reserve can be utilised in accordance with the provisions of the Act.

#### (iv) Capital Redemption Reserve

| Particulars                     | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------|---------------------------|---------------------------|
| As per last Financial Statement | 101.00                    | 101.00                    |
| <b>Closing balance</b>          | <b>101.00</b>             | <b>101.00</b>             |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Nature and purpose:

Capital Redemption Reserve is a non distributable reserve. The reserve can be utilised in accordance with the provisions of the Act, 2013.

### (v) Foreign Currency Translation Reserve

| Particulars                                                                               | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| As per last Financial Statement                                                           | (187.91)                  | (205.73)                  |
| Effects of exchange rate changes on Consolidation of Subsidiary                           | -                         | 17.82                     |
| Reclassified to Profit and Loss pursuant to derecognition of subsidiaries (Refer Note 34) | 187.91                    | -                         |
| <b>Closing balance</b>                                                                    | <b>-</b>                  | <b>(187.91)</b>           |

### Nature and purpose:

Represents reserve created on account of consolidation of foreign subsidiary.

### (vi) Capital Reserve

| Particulars                            | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|----------------------------------------|---------------------------|---------------------------|
| As per last Financial Statement        | -                         | -                         |
| Financial Liability written back       | 2,96,662.14               | -                         |
| Less: Transferred to Retained Earnings | (2,95,687.14)             | -                         |
| <b>Closing balance</b>                 | <b>975.00</b>             | <b>-</b>                  |

### Nature and purpose:

Represents reserve created on account of write back of preference shares liability (Refer Note 41). The reserve can be utilised in accordance with the provisions of the Act.

### Note 12: Financial liabilities

#### 12(a) Non-current borrowings

| Particulars                         | Coupon/ Interest<br>rate | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------|--------------------------|---------------------------|---------------------------|
| Unsecured                           |                          |                           |                           |
| From Others                         | -                        | 115.00                    | 115.00                    |
| <b>Total Non-current Borrowings</b> |                          | <b>115.00</b>             | <b>115.00</b>             |

#### 12(b) Current Borrowings

| Particulars                                       | Coupon/ Interest<br>rate | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------|--------------------------|---------------------------|---------------------------|
| <b>Loans repayable on demand</b>                  |                          |                           |                           |
| <b>Secured</b>                                    |                          |                           |                           |
| <b>From banks*</b>                                |                          |                           |                           |
| Cash credit                                       | 12.05% to 18.75%         | -                         | 1,78,819.49               |
| Working capital demand loans                      | 12.5% to 13.50%          | -                         | 16,076.31                 |
| Current Maturity of External Commercial Borrowing | 6 month LIBOR+4.15%      | -                         | 567.77                    |
| <b>Unsecured</b>                                  |                          |                           |                           |
| Inter Corporate Deposit*                          | 15% to 18%               | -                         | 1,07,981.04               |
| Loan from Related Parties                         | 12.75%                   | 9,483.95                  | 5,707.78                  |
| <b>Total Current Borrowings</b>                   |                          | <b>9,483.95</b>           | <b>3,09,152.39</b>        |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

\*Pursuant to the implementation of the approved Resolution Plan during the year in the Holding Company (refer Note 41 and 42), the liabilities pertaining to the cash credit, working capital demand loans, external commercial borrowings and Inter corporate deposits have been written back after giving effect to the payments made in accordance with the terms of the Resolution Plan. The charges created over the Holding Company's assets in respect of the aforesaid borrowings from the banks will be vacated in accordance with other terms and conditions laid out in the resolution plan.

### 12(c) Lease Obligation

| Name of the Shareholder       | As at 31st March, 2026 |               | As at 31st March, 2025 |              |
|-------------------------------|------------------------|---------------|------------------------|--------------|
|                               | Non-Current            | Current       | Non-Current            | Current      |
| Lease Obligation              | 110.67                 | 114.83        | 176.69                 | 86.13        |
| <b>Total Lease Obligation</b> | <b>110.67</b>          | <b>114.83</b> | <b>176.69</b>          | <b>86.13</b> |

### Note 12(d) : Trade Payables

| Particulars                                                               | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------------------------------|---------------------------|---------------------------|
| Trade Payables due to Micro, Small and Medium enterprises (Refer note 30) | 542.83                    | 186.38                    |
| Trade Payables other than Micro, Small and Medium enterprises             | 2,264.67                  | 23,601.44                 |
| <b>Total Trade Payables</b>                                               | <b>2,807.50</b>           | <b>23,787.82</b>          |

### Trade payables Ageing Schedule as at 31.03.2026

| 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                   | -                                                          | 542.83           | -         | -         | -                 | 542.83   |
| Others                 | -                                                          | 1,490.34         | 396.87    | 296.27    | 81.18             | 2,264.67 |
| Disputed Dues - MSME   | -                                                          | -                | -         | -         | -                 | -        |
| Disputed Dues - Others | -                                                          | -                | -         | -         | -                 | -        |

### Trade payables Ageing Schedule as at 31.03.2025

| 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                   | -                                                          | -                | -         | 0.05      | 152.46            | 152.51    |
| Others                 | -                                                          | 2,795.34         | 1,088.08  | 1,211.36  | 17,681.26         | 22,776.04 |
| Disputed Dues - MSME   | -                                                          | -                | -         | -         | 33.87             | 33.87     |
| Disputed Dues - Others | -                                                          | -                | -         | -         | 825.40            | 825.40    |

### Note 12(e): Other Current Liabilities

| Particulars                                       | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|---------------------------------------------------|---------------------------|---------------------------|
| Liability for Redeemable Preference Shares*       | -                         | 5,451.43                  |
| Dividend Accrued on Preference Shares*            | -                         | 448.50                    |
| Security Deposits                                 | -                         | 90.29                     |
| Interest accrued on borrowings and others         | 1,156.81                  | 3,48,709.82               |
| Employee Benefits Payable                         | 183.26                    | 718.80                    |
| Liability towards Resolution Plan (Refer Note 41) | 34.21                     | -                         |
| Others**                                          | 7,974.04                  | 14,133.05                 |
| <b>Total Other Current Financial Liabilities</b>  | <b>9,348.32</b>           | <b>3,69,551.89</b>        |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

\*9,75,000 Non-Cumulative Redeemable Cumulative Preference Shares having face value of Rs. 100 each were redeemable by the Holding Company in eight equal quarterly instalments commencing from 5th June 2018, with the final instalment due on 5th March 2020, but the Holding Company was unable to redeem the Shares as per the agreed schedule and consequently the liability has been classified as other financial liability. Pursuant to the implementation of the approved Resolution Plan (refer Note 41 and 42), the holding company extinguished preference shares amounting to Rs. 5,451.43 lakhs (of which Rs. 4,476.43 relates to premium payable on redemption of such preference shares) and written back dividend payable on such preference shares amounting to Rs. 448.50 Lakhs.

\*\*Primarily includes Provision for Future Foreseeable Loss and Liquidated Damages

### Note 13: Other Current Liabilities

| Particulars                                                             | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------------------------------------------|---------------------------|---------------------------|
| Advance from customers                                                  |                           |                           |
| - From Joint Venture                                                    | 368.52                    | 290.97                    |
| - From Others                                                           | 570.00                    | 2,104.87                  |
| Provision for contingencies                                             | 2,000.00                  | -                         |
| Payable to Government Authorities                                       | 99.63                     | 417.22                    |
| Dividend Distribution Tax on preference dividend (Refer Note 41 and 42) | -                         | 91.76                     |
| Benevolent fund (Refer Note 41 and 42)                                  | -                         | 101.54                    |
| Others                                                                  | 0.20                      | 0.67                      |
| <b>Total Other Liabilities</b>                                          | <b>3,038.35</b>           | <b>3,007.03</b>           |

### Note 14: Provisions

| Name of the Shareholder      | As at 31st March, 2026 |               | As at 31st March, 2025 |               |
|------------------------------|------------------------|---------------|------------------------|---------------|
|                              | Non-Current            | Current       | Non-Current            | Current       |
| Provisions                   |                        |               |                        |               |
| -Decommissioning obligations | -                      | -             | -                      | 75.30         |
| -Gratuity                    | 156.48                 | 25.41         | 34.95                  | 0.86          |
| -Leave Encashment            | -                      | 81.96         | -                      | 59.47         |
| -Sick Leave                  | -                      | 13.14         | -                      | 11.07         |
| -Others*                     | -                      | -             | 127.29                 | 4.37          |
| <b>Total Provisions</b>      | <b>156.48</b>          | <b>120.51</b> | <b>162.24</b>          | <b>151.07</b> |

\*Reversal of provision for discontinuance of Post-retirement medical benefit plan w.e.f. 1st January, 2026.

#### (i) Movements in provisions

Movements in provisions during the financial year, are set out below:

| Particulars                                                     | Decommissioning Obligations |
|-----------------------------------------------------------------|-----------------------------|
| <b>As at 1st April, 2024</b>                                    | <b>75.30</b>                |
| Charged/(credited) to Consolidated Statement of Profit and Loss |                             |
| - additions/Adjustment                                          | -                           |
| <b>As at 31st March, 2025</b>                                   | <b>75.30</b>                |
| Charged/(credited) to Consolidated Statement of Profit and Loss |                             |
| - additions/Adjustment                                          | (75.30)                     |
| <b>As at 31st March, 2026</b>                                   | <b>-</b>                    |

#### (ii) Leave Obligations

The Company has implemented a leave policy which is effective from 1st April 2025.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### (iii) Gratuity

The group operates a Gratuity Plan through a trust, employees who have completed minimum five years of service (for fixed term or contractual employees, one year of service) is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972, read with the Code on Social Security, 2020. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability but maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the Consolidated Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

| Particulars                                                   | Present value of obligation | Fair value of plan assets | Net amount    |
|---------------------------------------------------------------|-----------------------------|---------------------------|---------------|
| <b>1st April, 2025</b>                                        | <b>203.07</b>               | <b>167.27</b>             | <b>35.80</b>  |
| Current service cost                                          | 37.18                       | -                         | 37.18         |
| Interest expense/(income)                                     | 10.62                       | 9.13                      | 1.49          |
| Past Service Cost Because Of New Service Code (Refer Note 40) | 67.58                       | -                         | 67.58         |
| <b>Total amount recognised in Profit and Loss</b>             | <b>115.38</b>               | <b>9.13</b>               | <b>106.25</b> |
| <i>Remeasurements</i>                                         |                             |                           | -             |
| - Return on plan assets                                       | -                           | 3.61                      | (3.61)        |
| - Due to financial assumptions                                | 20.30                       | -                         | 20.30         |
| - Due to experience adjustments                               | 49.32                       | -                         | 49.32         |
| <b>Total amount recognised in Other Comprehensive Income</b>  | <b>69.62</b>                | <b>3.61</b>               | <b>66.01</b>  |
| Employer contributions                                        | -                           | 26.18                     | (26.18)       |
| Benefit payments                                              | (81.84)                     | (81.84)                   | -             |
| <b>31st March, 2026</b>                                       | <b>306.22</b>               | <b>124.33</b>             | <b>181.89</b> |

### Note 14: Provisions (Contd.)

| Particulars                                                  | Present value of obligation | Fair value of plan assets | Net amount   |
|--------------------------------------------------------------|-----------------------------|---------------------------|--------------|
| <b>1st April, 2024</b>                                       | <b>204.85</b>               | <b>173.57</b>             | <b>31.28</b> |
| Current service cost                                         | 17.64                       | -                         | 17.64        |
| Interest expense/(income)                                    | 13.04                       | 11.62                     | 1.42         |
| <b>Total amount recognised in Profit and Loss</b>            | <b>30.67</b>                | <b>11.62</b>              | <b>19.06</b> |
| <i>Remeasurements</i>                                        |                             |                           | -            |
| - Return on plan assets                                      | -                           | 2.01                      | (2.01)       |
| - Due to financial assumptions                               | 22.94                       | -                         | 22.94        |
| - Due to experience adjustments                              | (12.93)                     | -                         | (12.93)      |
| <b>Total amount recognised in Other Comprehensive Income</b> | <b>10.01</b>                | <b>-</b>                  | <b>10.01</b> |
| Employer contributions                                       | -                           | 22.53                     | (22.53)      |
| Benefit payments                                             | (42.46)                     | (42.46)                   | -            |
| <b>31st March, 2025</b>                                      | <b>203.07</b>               | <b>167.27</b>             | <b>35.80</b> |

The net liability disclosed above relates to funded plan:

| Particulars                         | Year ended 31st March, 2026 | Year ended 31st March, 2025 |
|-------------------------------------|-----------------------------|-----------------------------|
| Present value of funded obligations | 306.22                      | 203.07                      |
| Fair value of plan assets           | 124.33                      | 167.27                      |
| Deficit of funded plans             | 181.89                      | 35.80                       |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

The significant actuarial assumptions used were as follows:

| Particulars                    | Year ended 31st March, 2026                                                         | Year ended 31st March, 2025 |
|--------------------------------|-------------------------------------------------------------------------------------|-----------------------------|
| Discount rate                  | 7.23 %                                                                              | 6.55 %                      |
| Salary escalation              | 4.00 %                                                                              | 4.00 %                      |
| Expected return on plan assets | 7.23 %                                                                              | 6.55 %                      |
| Withdrawal rate                | 1.00-8.00 %                                                                         | 1.00-8.00 %                 |
| Mortality rate                 | In accordance with standard table Indian Assured Lives Mortality (2012-14) ultimate |                             |

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is:

| Assumption          | Increase/ (Decrease) | Assumption Rate | Amount of increase/ (decrease) in defined benefit obligations as at March 31, 2026 |
|---------------------|----------------------|-----------------|------------------------------------------------------------------------------------|
| Under Base Scenario | -                    | -               | 306.22                                                                             |
| Discount rate       | Increase by          | 1%              | 291.55                                                                             |
| Discount rate       | Decrease by          | 1%              | 322.60                                                                             |
| Salary escalation   | Increase by          | 1%              | 321.13                                                                             |
| Salary escalation   | Decrease by          | 1%              | 292.68                                                                             |
| Withdrawal rate     | Increase by          | 1%              | 308.67                                                                             |
| Withdrawal rate     | Decrease by          | 1%              | 303.49                                                                             |

The above sensitivity analyses are based on reasonably possible changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The plan liabilities are calculated using a discount rate set with reference to government bonds. If the plan assets underperform this yield, this will create a deficit. The plan asset investments is with the Life Insurance Corporation of India which administers the fund. The investments are expected to earn a return in excess of the discount rate and reduce plan deficit.

The maturity profile of gratuity liability is as follows:

| Year       | As at 31st March, 2026 | As at 31st March, 2025 |
|------------|------------------------|------------------------|
| 27-2026    | 42.79                  | 4.90                   |
| 28-2027    | 42.05                  | 47.64                  |
| 29-2028    | 29.36                  | 20.82                  |
| 30-2029    | 32.20                  | 16.05                  |
| 31-2030    | 31.58                  | 15.77                  |
| Thereafter | 54.63                  | 46.90                  |

The weighted average duration of the defined benefit obligation is 4.06 years (31st March, 2025 - 4.34 years).

The contribution expected to the fund by the Group during the financial year 2026-27 would be Rs. 40.73 Lakhs.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### (iv) Provident Fund

The Holding Company maintained a Trust till 31st March 2024 for depositing employees' provident fund contributions. However, with effect from 1st April 2024, the Employees' Provident Fund Organisation (EPFO) issued a notice withdrawing the exemption granted to the Trust. Accordingly, the Holding Company has commenced depositing the provident fund contributions directly with the Regional Provident Fund Office during the current financial year. The balance lying with the Trust is in the process of being transferred to the Regional Provident Fund Authorities.

The company contributed Rs. 79.23 Lacs and Rs. 77.41 Lacs during the years ended March 31, 2026 and March 31, 2025, respectively, and the same has been recognised in the Statement of Profit and Loss under the head "Employee Benefit Expenses".

### Risks arising from defined benefit obligations

The defined benefit obligation plans typically expose the group to actuarial risks i.e. investment risk, interest risk, longevity risk and salary risk.

|                 |                                                                                                                                                                                                                                                                                       |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.                                                                                 |
| Interest risk   | A decrease in bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.                                                                                                                            |
| Longevity risk: | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk     | The present value of defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan liability.                                                                     |

### Note 15: Revenue from operations

The Group derives the following types of revenue:

| Particulars                                         | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|-----------------------------------------------------|---------------------------------|---------------------------------|
| Operating Revenue                                   |                                 |                                 |
| Revenue from Construction Contracts (Refer Note 33) | 504.08                          | 3,870.35                        |
| Sales of Goods and Services                         | 6,811.27                        | 6,631.25                        |
| <b>Other Operating Revenue</b>                      |                                 |                                 |
| Sale of Scrap                                       | 35.71                           | -                               |
| <b>Total Revenue from Operations</b>                | <b>7,351.06</b>                 | <b>10,501.60</b>                |

### Note 16: Other Income

#### (a) Other Income

| Particulars                                                                | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|----------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Interest Income                                                            | 112.34                          | 85.58                           |
| Net gain on financial assets measured at fair value through profit or loss | 0.46                            | 4.65                            |
| Miscellaneous Income                                                       | 2.31                            | 0.01                            |
| <b>Total Other Income</b>                                                  | <b>115.11</b>                   | <b>90.24</b>                    |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 17: Cost of materials consumed

| Particulars                                                           | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|-----------------------------------------------------------------------|---------------------------------|---------------------------------|
| Raw Materials at the beginning of the year                            | 22.38                           | 37.12                           |
| Add: Purchases                                                        | 13.90                           | 64.63                           |
| Less: Provision on slow moving and obsolete materials (Refer Note 42) | (23.45)                         | -                               |
| Raw Materials at the end of the year                                  | -                               | 22.38                           |
| <b>Total Cost of Raw Materials Consumed</b>                           | <b>12.83</b>                    | <b>79.37</b>                    |
| Add: Consumption of bought out components                             | 1,627.25                        | 1,341.45                        |
| <b>Total Cost of Materials Consumed</b>                               | <b>1,640.08</b>                 | <b>1,420.82</b>                 |

### Note 18: Employee benefits expense

| Particulars                                               | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|-----------------------------------------------------------|---------------------------------|---------------------------------|
| Salaries, Wages and Bonus                                 | 2,114.52                        | 2,249.34                        |
| Contribution to Provident and Other Funds (Refer Note 14) | 132.15                          | 163.88                          |
| Workmen and Staff Welfare Expenses                        | 88.23                           | 98.14                           |
| <b>Total Employee Benefits Expense</b>                    | <b>2,334.90</b>                 | <b>2,511.36</b>                 |

### Note 19: Finance costs

| Particulars                                                                | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|----------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Interest on financial instruments not at fair value through profit or loss | 22,209.00                       | 84,825.44                       |
| Interest on Lease Liability                                                | 33.91                           | 24.93                           |
| <b>Total Finance Costs</b>                                                 | <b>22,242.91</b>                | <b>84,850.37</b>                |

### Note 20: Depreciation and Amortisation Expense

| Particulars                                        | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|----------------------------------------------------|---------------------------------|---------------------------------|
| Depreciation on Property, Plant and Equipments     | 141.08                          | 209.30                          |
| Depreciation on Right of Use Assets                | 101.02                          | 82.32                           |
| Amortisation on Intangible Assets                  | 4.99                            | 4.99                            |
| <b>Total Depreciation and Amortisation Expense</b> | <b>247.09</b>                   | <b>296.61</b>                   |

### Note 21: Other Expenses

| Particulars               | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|---------------------------|---------------------------------|---------------------------------|
| Power, Electricity & Fuel | 48.01                           | 116.62                          |
| Rent                      | 133.35                          | 133.59                          |
| Insurance                 | 73.30                           | 88.14                           |
| Rates & Taxes             | 37.31                           | 34.92                           |
| Bank Charges              | 201.08                          | 521.12                          |
| Cartage & Freight         | 37.52                           | 13.73                           |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

| Particulars                                                                         | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|-------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Repairs and Maintenance                                                             | 165.24                          | 208.51                          |
| Travelling and Conveyance                                                           | 260.51                          | 334.43                          |
| Director Sitting Fees                                                               | 28.70                           | 12.90                           |
| Professional Services                                                               | 374.82                          | 299.84                          |
| Legal Fees                                                                          | 152.60                          | 242.17                          |
| Bank Guarantee Evoked                                                               | 97.56                           | -                               |
| Refund of Service Fees                                                              | -                               | 10.27                           |
| Capital Work in Progress written off                                                | -                               | 462.62                          |
| Bad Debts Written Off                                                               | 42,276.36                       | 2,481.67                        |
| Provision for ECL on Trade Receivables and due from customers (Net of Reversal)     | (7,436.08)                      | (11,091.18)                     |
| Provision for Bad & Doubtful Debts (Net of Reversal)                                | (26,430.08)                     | 45,972.37                       |
| Claim Recoverable Written Off (Net of Reversal of ECL)                              | 2,662.06                        | 251.40                          |
| Loans and and Advances written off                                                  | 1,425.12                        | -                               |
| Property, plant and equipment and intangible assets written off                     | 679.97                          | -                               |
| Investment in Subsidiary written off                                                | 2,707.87                        | -                               |
| Provision for Investment in subsidiary (Net of Reversal)                            | (2,707.87)                      | -                               |
| Balances with Government authorities written off                                    | 7,726.12                        | -                               |
| Provision for Slow Moving Stock                                                     | 23.45                           | -                               |
| Provision for Contingency                                                           | 2,000.00                        | -                               |
| Provision for Loans and Advances (Net of Reversal)                                  | 413.62                          | 24,995.04                       |
| Provision for Future Foreseeable Losses in Construction Contracts (Net of Reversal) | (6,198.58)                      | 3,239.20                        |
| Provision for Doubtful Claims Recoverable                                           | -                               | 17,648.25                       |
| Provision for Doubtful Security Deposits                                            | 658.68                          | -                               |
| Payment to Auditors (Refer Note No. 21 (a))                                         | 50.68                           | 48.90                           |
| CIRP Expenses (Refer Note No. 21 (b))                                               | -                               | 32.15                           |
| Loss on Derecognition of Subsidiary (Refer Note No. 21 (c))                         | 263.14                          | -                               |
| Net Foreign Exchange (Gain)/ Loss                                                   | 41.30                           | 34.56                           |
| Miscellaneous Expenses                                                              | 87.36                           | 103.92                          |
| <b>Total Other Expenses</b>                                                         | <b>19,853.12</b>                | <b>86,195.14</b>                |

### Note 21(a): Details of payments to auditors

| Particulars                      | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|----------------------------------|---------------------------------|---------------------------------|
| <b>Payment to auditors</b>       |                                 |                                 |
| Audit fees                       | 35.20                           | 35.20                           |
| For Limited Review               | 12.00                           | 12.00                           |
| For Other Services               | 3.48                            | 1.70                            |
| <b>Total payment to auditors</b> | <b>50.68</b>                    | <b>48.90</b>                    |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 21(b): Details of CIRP Expenses

| Particulars                | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|----------------------------|---------------------------------|---------------------------------|
| <b>CIRP Expense</b>        |                                 |                                 |
| Professional Fees          | -                               | 22.47                           |
| Legal Fees                 | -                               | 9.69                            |
| <b>Total CIRP Expenses</b> | -                               | <b>32.15</b>                    |

### Note 21(c): Details of Loss on Derecognition of Subsidiaries

| Particulars                                    | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|------------------------------------------------|---------------------------------|---------------------------------|
| Net Assets of subsidiaries derecognised        | 75.23                           | -                               |
| FCTR reclassified through profit and loss      | 187.91                          | -                               |
| <b>Total Loss on Derognition of Subsidiary</b> | <b>263.14</b>                   | -                               |

### Note 22: Exceptional Item

| Particulars                                                      | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|------------------------------------------------------------------|---------------------------------|---------------------------------|
| Extinguishment of Government Claims and Statutory Dues           | (208.99)                        | (233.67)                        |
| Extinguishment of Interest of Financial Creditor                 | 3,69,661.78                     | -                               |
| Extinguishment of liability of preference dividend and its taxes | 540.26                          | -                               |
| Extinguishment of Operational Creditors                          | 18,408.56                       | -                               |
| Extinguishment of Other Claims                                   | (21.56)                         | -                               |
| Extinguishment of Workmen & Employee Dues                        | 763.68                          | -                               |
| <b>Total Exceptional Item</b>                                    | <b>3,89,143.73</b>              | <b>(233.67)</b>                 |

### Note 23: Income tax expenses

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.

#### (a) Income Tax Expense

| Particulars                         | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|-------------------------------------|---------------------------------|---------------------------------|
| Current tax                         |                                 |                                 |
| Current tax on profits for the year | -                               | -                               |
| Income Tax for Earlier years        | (221.65)                        | -                               |
| <b>Total Current Tax Expense</b>    | <b>(221.65)</b>                 | -                               |
| <b>Income Tax Expense</b>           |                                 | -                               |
| - through Profit and Loss           | (221.65)                        | -                               |

The effective tax rate and the applicable tax rates for recognition of deferred tax income is same. The applicable tax rate is based on the enacted tax rates.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### (b) Reconciliation of tax expenses and the accounting profit multiplied by applicable rate :-

| Particulars                                                           | Year Ending<br>31st March, 2026 | Year Ending<br>31st March, 2025 |
|-----------------------------------------------------------------------|---------------------------------|---------------------------------|
| Profit/(Loss) before Income Tax Expense                               | 3,44,733.53                     | (1,71,610.71)                   |
| Other Comprehensive Income                                            | (61.50)                         | 57.69                           |
| <b>Total Taxable Income</b>                                           | <b>3,44,672.03</b>              | <b>(1,71,553.02)</b>            |
| Tax at the Indian tax rate of 26% (2024-25 — 26%)                     |                                 |                                 |
| Add : Change in carrying value in books                               | -                               | -                               |
| Add : Deferred Tax Asset created for Unabsorbed business loss         | -                               | -                               |
| Add: Others                                                           | (221.65)                        | -                               |
| <b>Other Comprehensive Income</b>                                     |                                 |                                 |
| Tax relating to item that will not be reclassified to Profit and Loss | -                               | -                               |
| <b>Income Tax Expense</b>                                             | <b>(221.65)</b>                 | <b>-</b>                        |

### Note 24: Capital Management

#### Capital Management

The Group strives to manage its capital efficiently with a view to safeguard its ability to continue as a going concern and to bring returns to its shareholders and stakeholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day to day needs. The amount of capital in proportion to risk is considered for capital structure management in light of changes in economic conditions and the risk characteristics of the underlying assets. For the purpose of Group's capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants. However, challenges were faced by the Group over past few years.

Pursuant to the implementation of the Approved Resolution Plan, the Group has undertaken a significant restructuring of its capital and liabilities. The Plan has resulted in the settlement and/or extinguishment of certain financial obligations and has strengthened the Group's capital base. The management believes that the implementation of the Resolution Plan has improved the overall financial position of the Group and provides a foundation for sustainable operations and future growth.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future developments and growth of its business.

#### Debt to Capital Ratio

| Particulars                        | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|------------------------------------|---------------------------|---------------------------|
| <b>Capital</b>                     |                           |                           |
| Share Capital                      | 3,333.33                  | 3,333.33                  |
| Other Equity                       | 53,745.23                 | (5,92,474.95)             |
| <b>Total (A)</b>                   | <b>57,078.56</b>          | <b>(5,89,141.62)</b>      |
| <b>Borrowing</b>                   |                           |                           |
| Non-Current Borrowing              | 225.67                    | 291.69                    |
| Current Borrowing                  | 9,598.78                  | 3,09,238.52               |
| <b>Total (B)</b>                   | <b>9,824.45</b>           | <b>3,09,530.21</b>        |
| <b>Debt to Capital Ratio (B/A)</b> | <b>0.17</b>               | <b>(0.53)</b>             |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 25: Risk Management

The Group's activities are exposed to credit risk, liquidity risk and market risk.

The Group's risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### (A) Credit Risk

Credit risk arises from Cash and Cash Equivalents, other bank balances, investments and other financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and due from customers.

##### (i) Credit Risk Management

The Group assigns the following credit ratings to each class of financial assets based on assumptions, inputs and factors specific to the class of financial assets.

VL1: High-quality assets, negligible credit risk

VL2: Quality assets, low credit risk

VL3: Standard assets, moderate credit risk

VL4: Substandard assets, relatively high credit risk

VL5: Low quality assets, very high credit risk

VL6: Doubtful assets, credit impaired

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

Financial Assets are written off when there is no reasonable expectations of recovery, such as debtor failing to engage in a repayment plan with the Group or where payer/borrower does not have financial capability to repay its debts. Where loans or receivables have been written off, the group continues to engage in enforcement activities to attempt to recover the receivable dues.

##### (ii) Provision for Expected Credit Losses

The Group provides for Expected Credit Loss of trade receivables, due from customers and other financial assets based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Wherever required, past trend is adjusted to reflect the effects of the current conditions and forecasts of future conditions that did not affect the period on which the historical data is based, and to remove effects of the conditions in the historical period that are not relevant to the future contractual cash flows.

**Year ended 31st March, 2026**



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

Year ended 31st March, 2026

### (a) Expected Credit loss for Loans & Investments, Expenses Recoverables and other Financial Assets

| Particulars                                                 |                                                                                                  | Asset group         | Internal credit rating | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------|------------------------|--------------------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 months expected credit losses | Financial assets for which credit risk has not increased significantly since initial recognition | Loans*              | VL3                    | 1,744.38                                   | 1,744.38               | -                                           |
|                                                             |                                                                                                  | Claims Recoverable* | VL3                    | 35,182.96                                  | 35,182.96              | -                                           |

\*During the current year, the management reassessed the recoverability of the aforesaid financial assets and based on such assessment, a provision of Rs. 1,744.38 Lakhs is made against Loans and Claim Recoverable of Rs. 2,662.06 Lakhs (net of ECL) is written off

### (b) Expected Credit loss for Loans & Investments, Expenses Recoverables and other Financial Assets

| Particulars                                       |                                                             | Internal credit rating | Due from customer | Trade Receivables |
|---------------------------------------------------|-------------------------------------------------------------|------------------------|-------------------|-------------------|
| Gross Carrying amount                             |                                                             |                        | -                 | 64,261.30         |
| Expected Credit Losses (Loss allowance provision) | Loss allowance measured at life-time Expected Credit Losses | VL3                    | -                 | (47,644.32)       |
| Carrying amount (net of impairment)               |                                                             |                        | -                 | 16,616.98         |

### Note 25: Risk Management (contd.)

Year ended 31st March, 2025

### (a) Expected Credit Loss for Loans & Investments, Expenses Recoverables and other Financial Assets

| Particulars                                                 |                                                                                                  | Asset group         | Internal credit rating | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------|------------------------|--------------------------------------------|------------------------|---------------------------------------------|
| Loss allowance measured at 12 months expected credit losses | Financial assets for which credit risk has not increased significantly since initial recognition | Loans               | VL3                    | 3,235.07                                   | 1,425.12               | 1,809.95                                    |
|                                                             |                                                                                                  | Claims Recoverable* | VL3                    | 38,989.27                                  | 36,160.56              | 2,828.71                                    |

\* During the previous year, the management has written off claims recoverable amounting to Rs. 251.40 lakhs

### (b) Expected Credit Loss for Trade Receivables and due from Customers under simplified approach

| Particulars                                       |                                                             | Internal credit rating | Due from customer | Trade Receivables |
|---------------------------------------------------|-------------------------------------------------------------|------------------------|-------------------|-------------------|
| Gross Carrying Amount                             |                                                             |                        | 4,134.30          | 1,12,830.79       |
| Expected Credit Losses (Loss allowance provision) | Loss allowance measured at life-time expected credit losses | VL3                    | (2,590.51)        | (78,903.42)       |
| Carrying Amount (net of impairment)               |                                                             |                        | 1,543.79          | 33,927.37         |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### (iii) Reconciliation of loss allowance provision - Trade receivables & due from customers under simplified approach

| Particulars                                  | Internal credit rating | Due from customer | Trade Receivables |
|----------------------------------------------|------------------------|-------------------|-------------------|
| <b>Loss allowance as on 31st March, 2024</b> | <b>44,043.84</b>       | <b>2,590.51</b>   | <b>46,634.35</b>  |
| <b>Changes in loss allowance</b>             |                        |                   |                   |
| Provision/(reversal) of loss allowance       | 34,859.45              | -                 | 34,859.45         |
| Written off as bad debts                     | -                      | -                 | -                 |
| Provision on Debtors of foreign subsidiary   | 0.13                   |                   | 0.13              |
| <b>Loss allowance as on 31st March, 2025</b> | <b>78,903.42</b>       | <b>2,590.51</b>   | <b>81,493.93</b>  |
| <b>Changes in loss allowance</b>             |                        |                   |                   |
| Provision/(reversal) of loss allowance       | 11,022.47              | (2,590.51)        | 8,431.96          |
| Written off as bad debts                     | (42,276.36)            | -                 | (42,276.36)       |
| Written off on derecognition of subsidiary   | (5.21)                 | -                 | (5.21)            |
| <b>Loss allowance as on 31st March, 2026</b> | <b>47,644.32</b>       | <b>-</b>          | <b>47,644.32</b>  |

### (iv) Significant Estimates and Judgements

#### Impairment of Financial Assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, industry practices existing market conditions and business environment as well as forward looking estimates at the end of each reporting period.

### (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close net market positions. Due to the dynamic nature of the underlying businesses, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Note 25: Risk Management (Contd.)

#### Maturity of Financial Liability

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual cash flows, balances due within 12 months and more than 12 months.

| Contractual maturities of financial liabilities (31st March, 2026) | Carrying Value | Contractual Cash Flows | Less than 1 Year | 1 - 3 Years | 3 - 5 Years | More than 5 Years |
|--------------------------------------------------------------------|----------------|------------------------|------------------|-------------|-------------|-------------------|
| <b>Non Derivatives</b>                                             |                |                        |                  |             |             |                   |
| Borrowings                                                         | 9,598.95       | 9,598.95               | 9,483.95         | -           | -           | 115.00            |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

|                                                   |                  |                  |                  |              |              |               |
|---------------------------------------------------|------------------|------------------|------------------|--------------|--------------|---------------|
| Interest Accrued on borrowings and other          | 1,156.81         | 1,156.81         | 1,156.81         | -            | -            | -             |
| Trade Payables                                    | -                | -                | -                | -            | -            | -             |
| Employee Benefits payable                         | 183.26           | 183.26           | 183.26           | -            | -            | -             |
| Lease Liability                                   | 225.50           | 265.78           | 139.19           | 98.83        | 27.76        | -             |
| Others                                            | 8,008.25         | 8,008.25         | 8,008.25         | -            | -            | -             |
| <b>Total non derivative financial liabilities</b> | <b>19,172.77</b> | <b>19,213.05</b> | <b>18,971.46</b> | <b>98.83</b> | <b>27.76</b> | <b>115.00</b> |

| <b>Contractual maturities of financial liabilities (31st March, 2025)</b> | <b>Carrying Value</b> | <b>Contractual Cash Flows</b> | <b>Less than 1 Year</b> | <b>1 - 3 Years</b> | <b>3 - 5 Years</b> | <b>More than 5 Years</b> |
|---------------------------------------------------------------------------|-----------------------|-------------------------------|-------------------------|--------------------|--------------------|--------------------------|
| Non Derivatives                                                           |                       |                               |                         |                    |                    |                          |
| Borrowings                                                                | 3,14,718.82           | 3,14,718.82                   | 3,14,603.82             | -                  | -                  | 115.00                   |
| Interest Accrued on borrowings and other                                  | 3,48,709.82           | 3,48,709.82                   | 3,48,709.82             | -                  | -                  | -                        |
| Trade Payables                                                            | 23,787.82             | 23,787.82                     | 23,787.82               | -                  | -                  | -                        |
| Employee Benefits payable                                                 | 718.80                | 718.80                        | 718.80                  | -                  | -                  | -                        |
| Lease Liability                                                           | 262.82                | 315.08                        | 117.73                  | 197.35             | -                  | -                        |
| Security Deposits                                                         | 90.29                 | 90.29                         | 90.29                   | -                  | -                  | -                        |
| Dividend Accrued on Preference Shares                                     | 448.50                | 448.50                        | 448.50                  | -                  | -                  | -                        |
| Others                                                                    | 14,133.05             | 14,133.05                     | 14,133.05               | -                  | -                  | -                        |
| <b>Total non derivative financial liabilities</b>                         | <b>7,02,869.92</b>    | <b>7,02,922.17</b>            | <b>7,02,609.82</b>      | <b>197.35</b>      | <b>-</b>           | <b>115.00</b>            |

### (C) Market Risk

#### (i) Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the USD and EUR. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the group's functional currency (INR). The risk is measured through the expected foreign currency cash flows based on the Group's receipt and repayment schedule for recognised assets and liabilities denominated in a currency other than "INR". The objective of the hedging is to minimize the volatility of the INR cash flows of such recognised assets and liabilities.

#### (a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follow

| Particulars                                                | As at 31st March, 2026 |          |          | As at 31st March, 2025 |                 |               |
|------------------------------------------------------------|------------------------|----------|----------|------------------------|-----------------|---------------|
|                                                            | USD                    | EUR      | ZAR      | USD                    | EUR             | ZAR           |
| <b>Financial Assets</b>                                    |                        |          |          |                        |                 |               |
| Trade Receivables                                          | -                      | 628.57   | -        | 25.54                  | 570.34          | -             |
| Less: Provision on doubtful receivables                    | -                      | (628.57) | -        | -                      | -               | -             |
| Loans                                                      | -                      | -        | -        | -                      | -               | 65.58         |
| Other Receivables                                          | -                      | -        | -        | 5.73                   | -               | -             |
| Cash and Cash Equivalents                                  | -                      | -        | -        | 4.41                   | -               | 1.33          |
| <b>Net exposure to foreign currency risk (assets)</b>      | <b>-</b>               | <b>-</b> | <b>-</b> | <b>35.68</b>           | <b>570.34</b>   | <b>66.91</b>  |
| <b>Financial Liabilities</b>                               |                        |          |          |                        |                 |               |
| Foreign Currency Loan                                      | -                      | -        | -        | 567.77                 | -               | -             |
| Borrowings                                                 | -                      | -        | -        | -                      | -               | 312.43        |
| Trade Payables                                             | -                      | -        | -        | 362.48                 | 1,226.70        | 19.97         |
| Other Payables                                             | -                      | -        | -        | 0.70                   | -               | -             |
| <b>Net exposure to foreign currency risk (liabilities)</b> | <b>-</b>               | <b>-</b> | <b>-</b> | <b>930.95</b>          | <b>1,226.70</b> | <b>332.41</b> |

Refer note 34, during the year the Group derecognised its foreign subsidiary and consequently ceased to have significant

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

exposure to the related foreign currency denominated assets and liabilities. Further, certain foreign currency liabilities were written back and/or extinguished in line with the approved resolution plan by the Group. Accordingly, the foreign currency exposure as at the reporting date is not comparable with the previous year.

### Note 25: Risk Management (Contd.)

#### (b) Sensitivity:

##### Impact on Profit

| Particulars                                    | Increase/(Decrease) in profit before tax |                  |
|------------------------------------------------|------------------------------------------|------------------|
|                                                | 31st March, 2026                         | 31st March, 2025 |
| <b>USD sensitivity</b>                         |                                          |                  |
| INR/USD -Increase by 5% (31st March, 2025-6%)* | -                                        | (44.76)          |
| INR/USD -Decrease by 5% (31st March, 2025-6%)* | -                                        | 44.76            |
| <b>EUR sensitivity</b>                         |                                          |                  |
| INR/EUR-Increase by 5% (31st March, 2025-6%)*  | -                                        | (32.82)          |
| INR/EUR-Decrease by 5% (31st March, 2025-6%)*  | -                                        | 32.82            |
| <b>ZAR sensitivity</b>                         |                                          |                  |
| INR/ZAR-Increase by 5% (31st March, 2025-6%)*  | -                                        | (13.28)          |
| INR/ZAR-Decrease by 5% (31st March, 2025-6%)*  | -                                        | 13.28            |

\* Holding all other variables constant

#### (ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During the year ended 31st March, 2025, the group's borrowings at variable rate were mainly denominated in INR. As at 31st March 2026, following the payment and/or extinguishment of financial liabilities in line with the approved resolution plan (Refer Note 41 and 42), the Group does not have any borrowings carrying variable interest rates and, accordingly, is not exposed to cash flow and interest rate risk.

The Group's fixed rate borrowings are carried at amortised cost. These are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (a) Interest rate risk exposure\*

The exposure of the Group's borrowings to interest rate changes at end of reporting period are as follow:

| Particulars              | As at 31st March, 2026 | As at 31st March, 2025 |
|--------------------------|------------------------|------------------------|
| Variable rate borrowings | -                      | 5,07,635.43            |
| Fixed rate borrowings    | 10,640.76              | 1,55,678.20            |
| <b>Total borrowings</b>  | <b>10,640.76</b>       | <b>6,63,313.62</b>     |

\*The amounts includes interest accrued on related borrowings

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars | Increase/(Decrease) in profit before tax |                  |
|-------------|------------------------------------------|------------------|
|             | 31st March, 2026                         | 31st March, 2025 |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

|                                                       |   |            |
|-------------------------------------------------------|---|------------|
| Interest rates increase by 50 basis points (50 bps) * | - | (2,538.18) |
| Interest rates decrease by 50 basis points (50 bps) * | - | 2,538.18   |

\* Holding all other variables constant

### Note 26: Fair Value Measurements

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March, 2026 and 31st March, 2025.

| Particulars                           | 31st March, 2026 |          |                  | 31st March, 2025 |          |                    |
|---------------------------------------|------------------|----------|------------------|------------------|----------|--------------------|
|                                       | FVTPL            | FVOCI    | Amortised Cost   | FVTPL            | FVOCI    | Amortised Cost     |
| <b>Financial Assets</b>               |                  |          |                  |                  |          |                    |
| Investments                           |                  |          |                  |                  |          |                    |
| - Equity instruments                  | 31.97            | -        | -                | 36.93            | -        | -                  |
| - Mutual funds                        | 99.29            | -        | -                | 93.87            | -        | -                  |
| Trade Receivables                     | -                | -        | 16,616.98        | -                | -        | 33,927.37          |
| Loans                                 | -                | -        | -                | -                | -        | 1,809.95           |
| Cash and Cash Equivalents             | -                | -        | 372.11           | -                | -        | 224.96             |
| Other Bank Balances                   | -                | -        | 212.10           | -                | -        | 1,882.09           |
| Security deposits                     | -                | -        | 4,926.06         | -                | -        | 5,504.04           |
| Advance to Employees                  | -                | -        | 1.11             | -                | -        | 1.87               |
| Due from customers                    | -                | -        | -                | -                | -        | 1,543.79           |
| Deposits with bank                    | -                | -        | 12.04            | -                | -        | 17.39              |
| Claims Recoverable                    | -                | -        | -                | -                | -        | 2,828.71           |
| Others                                | -                | -        | 40.97            | -                | -        | 21.18              |
| <b>Total Financial Assets</b>         | <b>131.26</b>    | <b>-</b> | <b>22,181.37</b> | <b>130.80</b>    | <b>-</b> | <b>47,761.36</b>   |
| <b>Financial Liabilities</b>          |                  |          |                  |                  |          |                    |
| Borrowings                            | -                | -        | 9,598.95         | -                | -        | 3,14,718.82        |
| Interest accrued on borrowings        | -                | -        | 1,156.81         | -                | -        | 3,48,709.82        |
| Trade payables                        | -                | -        | 2,807.50         | -                | -        | 23,787.82          |
| Employee Benefits payable             | -                | -        | 183.26           | -                | -        | 718.80             |
| Lease Liability                       | -                | -        | 225.50           | -                | -        | 262.82             |
| Security deposits                     | -                | -        | -                | -                | -        | 90.29              |
| Dividend Accrued on Preference Shares | -                | -        | -                | -                | -        | 448.50             |
| Others                                | -                | -        | 8,008.25         | -                | -        | 14,133.05          |
| <b>Total Financial Liabilities</b>    | <b>-</b>         | <b>-</b> | <b>21,980.27</b> | <b>-</b>         | <b>-</b> | <b>7,02,869.92</b> |

### (i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table.

| Financial Assets and Liabilities measured at fair value<br>At 31st March, 2026 | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------------------------------------------------|---------|---------|---------|-------|
| <b>Financial Assets</b>                                                        |         |         |         |       |
| Financial instruments at FVTPL                                                 |         |         |         |       |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

|                               |              |              |          |               |
|-------------------------------|--------------|--------------|----------|---------------|
| Listed Equity Investments     | 31.97        | -            | -        | 31.97         |
| Mutual Funds                  | -            | 99.29        | -        | 99.29         |
| <b>Total Financial Assets</b> | <b>31.97</b> | <b>99.29</b> | <b>-</b> | <b>131.26</b> |

| <b>Financial Assets and Liabilities measured at fair value At 31st March, 2025</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|------------------------------------------------------------------------------------|----------------|----------------|----------------|---------------|
| Financial Assets                                                                   |                |                |                |               |
| Financial instruments at FVTPL                                                     |                |                |                |               |
| Listed Equity Investments                                                          | 36.93          | -              | -              | 36.93         |
| Mutual Funds                                                                       | -              | 93.87          | -              | 93.87         |
| <b>Total Financial Assets</b>                                                      | <b>36.93</b>   | <b>93.87</b>   | <b>-</b>       | <b>130.80</b> |

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date

### (iii) Fair value of the Financial Asset and Liabilities measured at Amortised Cost

The Management considers that the carrying amount of financial assets and liabilities recognised in the financial statements and carried at amortised cost approximates their fair value as on 31st March, 2026 and 31st March, 2025.

Initial recognition of financial assets and liabilities are at fair value with subsequent measurement at amortised cost.

### Note 27: Related Party Disclosures

As required by Ind AS 24, Related Party Disclosures are given below:



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### (a) Holding Company

- (i) Mandal Vyapar Private Limited (SPV of BTL EPC Limited)

### (b) Subsidiaries

- (i) McNally Bharat Equipments Limited (wholly owned Indian subsidiary)
- (ii) MBE Mineral Technologies Pte Limited, Singapore
- (iii) MBE Minerals Zambia Limited, Zambia
- (iv) McNally Bharat Engineering (SA) Proprietary Limited

### (c) Joint Venture (MBECL is Lead Partner for participating in tenders)

- (i) EMC MBE Contracting Company LLC
- (ii) McNally- Trolex
- (iii) McNally- AML
- (iv) McNally- Trolex- Kilburn

### (d) Post employment benefit plan of the Company

- (i) McNally Bharat Executive Staff Gratuity Fund
- (ii) McNally Bharat Employees Provident Fund

### (e) Key Managerial Personnel

- (i) Mr. Partha Sarathi Bhattacharyya - Non executive Chairman and Independent Director (Appointed w.e.f. 6th January, 2025)
- (ii) Mr. Pradip Kumar Bishnoi - Independent Director (Appointed w.e.f. 6th January, 2025)
- (iii) Mr. Anil Kumar Jha - Independent Director (Appointed w.e.f. 6th January, 2025)
- (iv) Mrs. Anuradha Gupta - Independent Director (Appointed w.e.f. 14th February, 2025)
- (v) Mr. Mehar Chand Thakur - Independent Director (Appointed w.e.f. 22nd October, 2025)
- (vi) Mrs. Poonam Singhania - Non Executive Non-Independent Director (Appointed w.e.f. 1st October, 2025)
- (viii) Mr. Debidas Datta - Independent Director (Appointed w.e.f. 1st December, 2025)
- (ix) Mr. Rajendra Mohan Mathur - Chief Executive Officer (Appointed w.e.f. 21st December, 2024)
- (x) Mr. Rupayan Majumdar - Chief Financial Officer (Appointed w.e.f. 5th May, 2025)
- (xi) Mrs Indrani Ray- Company Secretary and Compliance Officer
- (xii) Mr. Pradyuman Baidya - Chief Financial Officer (Retired w.e.f. 10th December, 2024)
- (xiii) Mr. Aditya Khaitan - Chairman (Resigned w.e.f. 6th January, 2025)
- (xiv) Mr. Srinivash Singh - Chief Executive Officer (Resigned w.e.f. 6th January, 2025)
- (xv) Mr. A.K Barman - Independent Director (Resigned w.e.f. 6th January, 2025)
- (xvi) Mr. Nilotpall Roy- Independent Director (Resigned w.e.f. 6th January, 2025)
- (xvii) Ms. Kasturi Roychoudhury - Independent Director (Resigned w.e.f. 6th January, 2025)
- (xviii) Mrs. Arundhati Dhar - Independent Director (Resigned w.e.f. 6th January, 2025)

The following transactions were carried out with Related Parties in the ordinary course of business:

| Description | Year ending | McNally-Trolex | McNally-AML | McNally-Trolex- Kilburn | Mandal Vyapar Private Limited |
|-------------|-------------|----------------|-------------|-------------------------|-------------------------------|
|-------------|-------------|----------------|-------------|-------------------------|-------------------------------|

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

|                            |                 |      |        |       |          |
|----------------------------|-----------------|------|--------|-------|----------|
| Sale of Goods/fixed assets | 31st March 2026 | -    | -      | -     | -        |
|                            | 31st March 2025 | 5.34 | 329.16 | 34.18 | -        |
| Purchases                  | 31st March 2026 | -    | 4.46   | -     | -        |
|                            | 31st March 2025 | -    | -      | -     | -        |
| Interest on Loan           | 31st March 2026 | -    | -      | -     | 1,159.13 |
|                            | 31st March 2025 | -    | -      | -     | -        |

### Note 27: Related Party Disclosures (Contd.)

#### Balances Outstanding :-

| Description                                      | As at           | EMC MBE Contracting Co LLC | McNally Trolex | McNally AML | McNally Trolex Kilburn | Mandal Vyapar Private Limited |
|--------------------------------------------------|-----------------|----------------------------|----------------|-------------|------------------------|-------------------------------|
| Interest outstanding on loan (Net of TDS)        | 31st March 2026 | -                          | -              | -           | -                      | 1,156.81                      |
|                                                  | 31st March 2025 | -                          | -              | -           | -                      | -                             |
| Investment at the year end                       | 31st March 2026 | -                          | -              | -           | -                      | -                             |
|                                                  | 31st March 2025 | 152.31                     | -              | -           | -                      | -                             |
| Provision for impairment in value of investments | 31st March 2026 | -                          | -              | -           | -                      | -                             |
|                                                  | 31st March 2025 | 152.31                     | -              | -           | -                      | -                             |
| Outstanding Receivables                          | 31st March 2026 | -                          | 567.02         | 6.16        | 137.70                 | -                             |
|                                                  | 31st March 2025 | 67.06                      | 639.61         | 286.22      | 466.71                 | -                             |
| Allowance for doubtful receivables               | 31st March 2026 | -                          | -              | -           | -                      | -                             |
|                                                  | 31st March 2025 | 67.06                      | -              | -           | -                      | -                             |
| Advance received from Customer                   | 31st March 2026 | -                          | -              | 368.52      | -                      | -                             |
|                                                  | 31st March 2025 | -                          | -              | 290.97      | -                      | -                             |
| Security Deposit                                 | 31st March 2026 | -                          | 625.97         | 2,749.16    | 773.96                 | -                             |
|                                                  | 31st March 2025 | -                          | 625.97         | 2,749.16    | 773.96                 | -                             |
| Loan Outstanding                                 | 31st March 2026 | -                          | -              | -           | -                      | 9,483.95                      |
|                                                  | 31st March 2025 | -                          | -              | -           | -                      | 5,707.78                      |

| Transactions with Key Managerial Personnel | 2025-26      |              |                                            | 2024-25      |              |                                            |
|--------------------------------------------|--------------|--------------|--------------------------------------------|--------------|--------------|--------------------------------------------|
|                                            | Remuneration | Sitting fees | Outstanding Balance payable as at year end | Remuneration | Sitting fees | Outstanding Balance payable as at year end |
| Mr. Partha Sarathi Bhattacharyya           | -            | 6.80         | 1.89                                       | -            | 4.00         | 1.62                                       |
| Mr. Pradip Kumar Bishnoi                   | -            | 6.80         | 1.89                                       | -            | 3.50         | 1.62                                       |
| Mr. Anil Kumar Jha                         | -            | 6.80         | 1.89                                       | -            | 3.50         | 1.62                                       |
| Ms. Anuradha Gupta                         | -            | 4.50         | 1.62                                       | -            | 1.90         | 1.26                                       |
| Mr. Mehar Chand Thakur                     | -            | 1.00         | -                                          | -            | -            | -                                          |
| Mrs. Poonam Singhania                      | -            | 1.50         | 1.03                                       | -            | -            | -                                          |
| Mr. Debidas Datta                          | -            | 1.30         | 1.17                                       | -            | -            | -                                          |
| Mr. Rajendra Mohan Mathur                  | 136.02       | -            | 9.68                                       | 34.55        | -            | -                                          |
| Mr. Rupayan Majumdar                       | 49.83        | -            | 2.86                                       | -            | -            | -                                          |
| Mrs. Indrani Ray                           | 40.06        | -            | 2.61                                       | 39.65        | -            | -                                          |
| Mr . Pradyuman Baidya                      | -            | -            | -                                          | 26.16        | -            | -                                          |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

- a) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the year towards Post employment benefits as the same are not separately ascertainable for individual personnels.
- b) Transactions with related parties mentioned above are as per terms and contracts approved by the Board. All transactions disclosed above were done on normal commercial terms and conditions and wherever applicable as per the market rates.

### Details of contribution to post employment benefit plans

| Remuneration includes                        | Year ending     | Amount |
|----------------------------------------------|-----------------|--------|
| McNally Bharat Executive Staff Gratuity Fund | 31st March 2026 | 18.46  |
|                                              | 31st March 2025 | 23.62  |

### Note 28: Capital Commitments

There is no capital commitment as at Balance sheet date.

### Note 29: Leases

The Group has also leasing arrangements in respect of operating leases for premises. These leasing arrangements which are cancellable in nature are renewable by mutual consent and agreement. The aggregate of such lease rentals on account of short-term leases and low-value assets are charged as rent to the Consolidated Statement of Profit and Loss.

### Amount Recognized in the Consolidated Statement of Profit and Loss Account and Cash Flow Statement

| Particulars                                                                       | 31st March, 2026 | 31st March, 2025 |
|-----------------------------------------------------------------------------------|------------------|------------------|
| <b>Amount Recognized in the Consolidated Statement of Profit and Loss Account</b> |                  |                  |
| Depreciation recognized                                                           | 101.02           | 82.32            |
| Interest on lease liabilities                                                     | 33.91            | 24.93            |
| <b>Amount Recognized in the Consolidated Cash Flow Statement</b>                  |                  |                  |
| Expenses relating to short-term leases & of low-value assets                      | 133.35           | 133.59           |
| Repayment of Lease liability                                                      | 90.28            |                  |
| Finance cost paid on account of lease liability                                   | 33.91            | 233.46           |

### Details with respect to ROU Asset created for Office Space taken on lease

| Particulars                                                        | 31st March, 2026 | 31st March, 2025 |
|--------------------------------------------------------------------|------------------|------------------|
| <b>Net Carrying Amount of ROU Assets at the beginning the year</b> | <b>249.16</b>    | <b>32.49</b>     |
| Add: Additions to Right of Use Assets during the year              | -                | 298.99           |
| Less : Depreciation recognized                                     | (95.93)          | (82.32)          |
| Modification of lease                                              | (14.94)          | -                |
| Deletion of Right of Use Assets during the year                    | -                | -                |
| <b>Net Carrying Amount of ROU Assets at the end the year</b>       | <b>138.29</b>    | <b>249.16</b>    |

### Details with respect to ROU Asset created for Plant and Equipment taken on lease

| Particulars                                                        | 31st March, 2026 | 31st March, 2025 |
|--------------------------------------------------------------------|------------------|------------------|
| <b>Net Carrying Amount of ROU Assets at the beginning the year</b> | <b>-</b>         | <b>-</b>         |
| Add: Additions to Right of Use Assets during the year              | 67.90            | -                |
| Less : Depreciation recognized                                     | (5.09)           | -                |
| Adjustment due to modification of lease                            | -                | -                |
| Deletion of Right of Use Assets during the year                    | -                | -                |
| <b>Net Carrying Amount of ROU Assets at the end the year</b>       | <b>62.81</b>     | <b>-</b>         |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 30: Dues to Micro, Small and Medium Enterprises

The amount due to Micro, Small and Medium Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to Micro and Small Enterprises are as below:

| Particulars                                                                                                                 | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| (i) Principal amount due to suppliers registered under the MSMED Act, 2006 and remaining unpaid as at year end              | 480.76                    | 186.38                    |
| (ii) Interest due to suppliers registered under the MSMED Act, 2006 on the above amount and remaining unpaid as at year end | 39.51                     | 41.03                     |
| (iii) Principal amounts paid to suppliers registered under the MSMED Act, 2006, beyond the appointed day during the year    | 933.19                    | 9.33                      |
| (iv) Interest due & payable for principal already paid                                                                      | 22.56                     | -                         |
| (v) Total interest accrued and remaining unpaid at the end of each accounting year                                          | 62.07                     | 338.99                    |
| (vi) Amount of further interest remaining due and payable even in the succeeding years                                      | -                         | -                         |

### Note 31: Contingent Liabilities\*

#### a. The details of contingent liabilities are as under:

| Particulars                                                                                                             | As at<br>31st March, 2026        | As at<br>31st March, 2025 |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------|
| Claims against the Group not acknowledged as debt*                                                                      | -                                | 46,859.99                 |
| <b>Other money for which the Group is contingently liable:</b>                                                          |                                  |                           |
| Indirect Tax matters relating to Excise Duty, Service Tax, Central Sales Tax, Value added Tax and Goods and Service Tax | -                                | 51,944.21                 |
| Income Tax matter pending                                                                                               | -                                | 5,691.09                  |
| Corporate guarantees given                                                                                              | -                                | 8,000.00                  |
| Bank Guarantees issued by company- Performance, Security and Earnest Money deposit**                                    | 18,604.53                        | 26,216.98                 |
| Liquidated damages relating to contract sales                                                                           | Amount not readily ascertainable |                           |

\*Pursuant to the implementation of the Approved Resolution Plan as stated in Note 41 to the Consolidated Financial Statements, all claims, obligations and liabilities pertaining to the period prior to the Effective Date stand dealt with in accordance with the terms of the Approved Resolution Plan. Accordingly, except to the extent specifically provided for under the Approved Resolution Plan, all contingent liabilities existing as on the Effective Date of the Resolution Plan stand extinguished and are no longer enforceable against the Company.

\*\*Out of the above outstanding bank guarantees, bank guarantees amounting to Rs. 15,021.96 lakhs are protected by the SRA under the terms of the Approved Resolution Plan.

Details of Corporate Guarantees given covered under Section 186(4) of the Companies Act, 2013:-

| Particulars                                                 | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------------------------------------|---------------------------|---------------------------|
| MBE Coal & Mineral India Private Limited (Banking Facility) | -                         | 3,000.00                  |
| McNally Sayaji Engineering Limited (ECB & Rupee Term Loan)  | -                         | 5,000.00                  |
| <b>Total</b>                                                | <b>-</b>                  | <b>8,000.00</b>           |

### Note 32: Excess Remuneration paid to Key Managerial Personnels (KMPs) of the Holding Company



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

The Holding Company has incurred losses during the year and, accordingly, the remuneration payable to its managerial personnel during the year is governed by Section 197 read with Schedule V of the Companies Act, 2013. During the year, the remuneration paid to the KMPs of the Holding Company exceeded the limits prescribed under Section 197 of the Companies Act, 2013. The Holding Company has evaluated the applicable provisions relating to excess remuneration and complied with the requirements of the Companies Act, 2013 including obtaining the necessary approvals, wherever required.

### Note 33: Disclosure for Construction Contracts

The details as required in respect of Construction Contracts under Ind AS 115 in respect of the Holding Company are as under:

| Particulars                                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------|---------------------------|---------------------------|
| Progress Billing                              | 11,337.41                 | 9,905.25                  |
| Less/Add: Unbilled Revenue Transfer/ Generate | 4,134.30                  | 596.35                    |
| <b>Net Contract Revenues</b>                  | <b>7,203.11</b>           | <b>10,501.60</b>          |
| Contract costs incurred                       | 10,416.21                 | 14,637.20                 |
| Recognised profit net of recognised (losses)  | (3,213.10)                | (4,135.60)                |
| Unbilled Revenue                              | 112.24                    | 4,134.30                  |
| Due from Customers                            | -                         | 4,134.30                  |
| Less: Allowance for doubtful amount           | -                         | 2,590.51                  |
| Net Due from Customers                        | -                         | 1,543.79                  |
| Advance payments received                     | 728.73                    | 2,430.26                  |
| Retention amount                              | -                         | 1,376.17                  |

Refer Note 25(A) for Loss Allowances on Trade Receivables

The Holding Company has made provision, as required under the Indian Accounting Standards, for material foreseeable losses on long term contracts.

The Holding Company has made revisions in the cost to complete certain projects during the year as part of their periodical review of cost estimates.

### Note 34: Interest in Other Entities\*

#### (a) Interest in Subsidiaries

The group's subsidiaries as at 31st March, 2026 and 31st March, 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of Entity                       | Place of business/<br>country of incorporation | Ownership interest held by the group |                                | Ownership interest held by Others |                                |
|--------------------------------------|------------------------------------------------|--------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
|                                      |                                                | Year ended<br>31st March, 2026       | Year ended<br>31st March, 2025 | Year ended<br>31st March, 2026    | Year ended<br>31st March, 2025 |
|                                      |                                                | %                                    | %                              | %                                 | %                              |
| i) McNally Bharat Equipments Limited | India                                          | 99.40                                | 99.40                          | 0.60                              | 0.60                           |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

|      |                                      |                       |        |        |   |   |
|------|--------------------------------------|-----------------------|--------|--------|---|---|
| ii)  | MBE Minerals Zambia Limited          | Zambia                | 100.00 | 100.00 | - | - |
| iii) | MBE Mineral Technologies Pte Limited | Republic of Singapore | 100.00 | 100.00 | - | - |

### (b) Interest in Joint Venture

Set out below is the Joint Venture of the Group as at 31st March, 2026 and 31st March, 2025, which has share capital consisting solely of equity shares and are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The Financial Statements of the Joint Ventures of the Holding Company whose carrying value in the Financial Statements of the Holding Company is Rs. Nil have not been considered in the Consolidated Financial Statements.

| Name of Entity |                            | Place of business/<br>country of incorporation | Proportion of Ownership            |                                    | Carrying Amount                    |                                    |
|----------------|----------------------------|------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                |                            |                                                | Year ended<br>31st March ,<br>2026 | Year ended<br>31st March ,<br>2025 | Year ended<br>31st March ,<br>2026 | Year ended<br>31st March ,<br>2025 |
|                |                            |                                                | %                                  | %                                  | Rs. Lakhs                          | Rs. Lakhs                          |
| i)             | EMC MBE Contracting Co LLC | Oman                                           | 35.00%                             | 35.00%                             | -                                  | -                                  |
| ii)            | MBE-AML (JV)               | India                                          | 98.00%                             | 98.00%                             | -                                  | -                                  |
| iii)           | MBE_Trolex (JV)            | India                                          | 97.00%                             | 97.00%                             | -                                  | -                                  |
| IV)            | MBE-Trolex-Kilburn (JV)    | India                                          | 80.00%                             | 80.00%                             | -                                  | -                                  |

Note: Profit/Loss for the year of Joint Ventures which are not material have not been considered in the Financial Statements

\*During the year, the Holding Company reassessed the recoverability of its investments made in EMC MBE Contracting Co LLC, MBE Minerals Zambia Limited, MBE Minerals Technology Pte. Ltd. and McNally Bharat Engineering (SA) Proprietary Limited and in view of the uncertainty regarding the recoverability of the underlying investments, absence of significant business operations or financial returns from the said entity ever since the Holding Company entered into CIRP, the Holding Company wrote off the carrying value of these investments against the impairment already recognized in the books. Any statutory or regulatory compliance, if required in this regard, shall be undertaken in due course. Consequent to the write-off of the aforesaid investments by the Holding Company, these entities were derecognised from the Group and the resulting accounting impact has been recognised in the consolidated financial statements in accordance with the applicable provisions of Ind AS. Further, the joint ventures of the Holding Company, namely McNally-Trolex, McNally-AML and McNally-Trolex-Kilburn, are non-corporate entities in which the Holding Company does not have any equity capital investment. Based on the current status of the underlying projects and management's assessment of the probable recovery of losses upon completion of the respective contracts, no provision in respect of the losses incurred by these entities has been considered necessary in the Consolidated Financial Statements as at the reporting date.

### Note 35: Earnings Per Share

| Particulars                                                                    | Year ended<br>31st March , 2026 | Year ended<br>31st March , 2025 |
|--------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>(a) Basic Earnings Per Share</b>                                            |                                 |                                 |
| Profits/(Losses) attributable to the Equity Holders of the Group               | 3,44,955.19                     | (1,71,610.70)                   |
| Total Basic Earnings Per Share attributable to the equity holders of the Group | 1,034.87                        | (88.69)                         |
| <b>(b) Diluted Earnings Per Share</b>                                          |                                 |                                 |
| Profits/(Losses) attributable to the equity holders of the Group               | 3,44,955.19                     | (1,71,610.70)                   |



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

| Particulars                                                                      | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|----------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| Total Diluted Earnings Per Share attributable to the Equity holders of the Group | 1,034.87                       | (88.69)                        |

### (c) Weighted average numbers of shares used as denominator

| Particulars                                                                                                                            | 31st March, 2026<br>Number of Shares | 31st March, 2025<br>Number of Shares |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share                               | 3,33,33,334                          | 19,35,02,854                         |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 3,33,33,334                          | 19,35,02,854                         |

\* During the previous year, the existing share capital of the Holding Company stands extinguished and fresh shares were issued to the SRA and existing shareholders as per the Resolution Plan.

#### Note 36: Segment information

The Group is primarily engaged in a single business segment, viz. "Engineering, Procurement, and Construction" and predominantly operates in one Geographical segment. Hence, in the opinion of the Chief Operating decision maker as defined, the Group's operation comprises of only one reporting segment. Accordingly, there are no separate reportable segments, as per Indian Accounting Standard 108 on "Segment Reporting".

Disclosure required under Ind AS 108 "Operating Segments" for Companies with single segment are as follows:

| Particulars                   | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-------------------------------|---------------------------|---------------------------|
| <b>Revenue from Customers</b> |                           |                           |
| - India                       | 7,276.57                  | 10,501.60                 |
| - Outside India               | 74.49                     | -                         |
|                               | <b>7,351.06</b>           | <b>10,501.60</b>          |
| <b>Total Assets*</b>          |                           |                           |
| - India                       | 82,354.76                 | 1,16,375.87               |
| - Outside India               | 19.55                     | 672.93                    |
|                               | <b>82,374.30</b>          | <b>1,17,048.78</b>        |

\* The segment assets represent the total assets attributable to each reportable segment, net of impairment recognised thereon.

#### Note 37: Assets pledged as Security

The carrying amounts of assets pledged as security against open bank guarantees and outstanding borrowings of Holding Company are:

| Particulars                                               | Notes | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|-----------------------------------------------------------|-------|--------------------------------|--------------------------------|
| <b>Current</b>                                            |       |                                |                                |
| <b>Financial Assets</b>                                   |       |                                |                                |
| Trade Receivables                                         | 6(a)  | 16,575.46                      | 33,872.48                      |
| Cash and Cash Equivalents (including other Bank Balances) | 6(b)  | 568.00                         | 2,057.60                       |
| Loans                                                     | 6(c)  | -                              | 1,744.38                       |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

| Particulars                                     | Notes | Year ended<br>31st March, 2026 | Year ended<br>31st March, 2025 |
|-------------------------------------------------|-------|--------------------------------|--------------------------------|
| Other Financial Assets                          | 6(d)  | 4,957.44                       | 9,882.25                       |
| <b>Non-Financial Assets</b>                     |       |                                |                                |
| Inventories                                     | 8     | -                              | 22.38                          |
| Other Current Assets                            | 10    | 7,560.10                       | 15,766.31                      |
| <b>Total Current Assets pledged as security</b> |       | <b>29,661.00</b>               | <b>63,345.41</b>               |
| <b>Non-current</b>                              |       |                                |                                |
| Property, Plant and Equipment                   | 3     | 439.33                         | 1,211.42                       |
| Other Financial Assets                          | 6(d)  | 12.04                          | 13.56                          |
| Investments                                     | 5     | 131.26                         | 140.74                         |
| Total Non-currents assets pledged as Security   |       | 582.63                         | 1,365.71                       |
| <b>Total Assets pledged as Security</b>         |       | <b>30,243.63</b>               | <b>64,711.12</b>               |

### Note:

Pursuant to the implementation of the Approved Resolution Plan (refer Note 41), the Holding Company's funded credit facilities have been settled and/or extinguished in accordance with the terms of the Resolution Plan. The non-funded credit facilities, however, are yet to be settled and shall be released upon fulfilment of the remaining terms and conditions stipulated under the Resolution Plan. Accordingly, the charges created over the Holding Company's assets in respect of such facilities continue to remain in force and shall be released upon fulfilment of the prescribed conditions under the Resolution Plan. Further, the execution of the supplementary deed of hypothecation, as contemplated under the terms of the Resolution Plan, is currently in process and shall be completed upon fulfilment of the requisite conditions and formalities.

### Note 38: Details of Loans given covered under Section 186(4) of the Companies Act, 2013.

| Particulars                                                                             | As at<br>31st March, 2026 | As at<br>31st March, 2025 |
|-----------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Vedica Sanjeevani Projects Private Limited (ceased to be subsidiary w.e.f. 29.08.2018)* | -                         | 1,744.38                  |
| <b>Total</b>                                                                            | <b>-</b>                  | <b>1,744.38</b>           |

\*The Holding Company has given moratorium for payment of interest and hence not recognised interest income on the loan for the year ended 31st March, 2025 on prudential basis. During the current year, based on a reassessment of the recoverability of the outstanding loan balance and considering the uncertainty associated with its recovery, the Holding Company has made a provision against such loan under the head "Other Expenses".

### Note 39:

The Holding Company had entered in September 2003 a joint venture agreement with Elsamex S.A. whereby officially it was appointed as a subcontractor in "West Bengal Corridor Development Project – Improvement of Gazole Hilli Section of SH 10 with a link to Balurghat from Patiram," (the project). However consequent to considerable delay in execution of the project the Public Works Department of Government of West Bengal (PWD) had unilaterally terminated the contract in January 2006. The Holding Company and Elsamex S.A. felt that such delay in execution was due to the inability of PWD to hand over the stretch of encumbrance free land for widening of road and non-availability of construction drawings on time by PWD. The Holding Company had a legitimate claim of Rs. 1,517 lakhs towards receivable and Rs. 1,133 lakhs on account of deposit against Performance Guarantee. Elsamex S.A. moved to arbitration and had claimed an amount of Rs. 7,334 lakhs including an additional claim on consequential losses as per guidelines of "Federation Internationale Des Ingenieurs-Conseils" (FIDIC). Arbitral Board in their meeting held on 25th October, 2010 has upheld Elsamex S.A.'s claim and gave its award in their favour. Under the award, a total amount of Rs. 3,535 Lakhs is receivable by the Holding Company. PWD preferred to challenge the verdict of the Arbitral award, presently the case is under Jurisdiction of Calcutta High Court. Further, matter has to be mentioned before the Calcutta High Court earlier and file execution



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

petition. Legal counsel of the Holding Company should continue to monitor of this matter and implication of any further development therefore.

### Note 40: Implementation of the New Labour Code

On 21st November 2025, the Government of India notified the four Labour Codes — consolidating 29 existing labour laws. The Ministry of Labour & Employment has also issued draft Central Rules and FAQs to help assess the financial impact of these changes. Based on internal management assessment, actuary report and the best information available, and in line with ICAI guidance, the Holding Company has recognised an incremental impact of gratuity and long-term compensated absences of Rs. 93.42 Lakhs, mainly due to the revised wage definition. It has been disclosed under the head “Employee Benefit Expenses” as past service cost in the Consolidated Financial Statements during the year ended 31st March 2026. The Holding Company continues to monitor the finalisation of Central/State Rules and further Government clarifications and will account for any additional impact as if any required.

### Note 41: CIRP Process and Implementation of the Approved Resolution Plan

Pursuant to an application bearing C.P. (IB) No. 891/KB/2020 filed by one of the financial creditors of the Holding Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC”), the Hon’ble National Company Law Tribunal, Kolkata Bench (“NCLT”), vide its Order dated 29th April, 2022, admitted the application and initiated the Corporate Insolvency Resolution Process (“CIRP”) against the Holding Company. Consequent thereto, CA Anuj Jain (IBBI/ IPA-001/IP-P00142/2017-18/10306) was appointed as the Interim Resolution Professional (“IRP”). Subsequently, pursuant to the Order of the Hon’ble NCLT dated 26th August, 2022, CA Ravi Sethia (IBBI/IPA-001/IP-P01305/2018-2019/12052) was appointed as the Resolution Professional (“RP”). Upon commencement of the CIRP, the powers of the Board of Directors stood suspended and the management of the Holding Company vested with the IRP/RP.

A Committee of Creditors (“CoC”) was constituted on 18th May, 2022 based on the claims admitted by the IRP. The CoC was subsequently reconstituted from time to time, with the last reconstitution taking place on 29th December, 2022, and the requisite intimations were filed with the Hon’ble NCLT.

Pursuant to the CIRP process, the resolution plan submitted by M/s BTL EPC Limited (“Successful Resolution Applicant” or “SRA”) was approved by the CoC with the requisite majority in accordance with the provisions of the IBC. Thereafter, the RP submitted an application before the Hon’ble NCLT on 3rd August, 2023 seeking approval of the resolution plan.

The Hon’ble NCLT, vide its Order dated 19th December, 2023 approved the resolution plan submitted by the SRA (“Approved Resolution Plan”). Consequent upon such approval, a Monitoring Committee (“MC”) was constituted in place of the CoC to oversee the implementation of the Approved Resolution Plan.

The Approved Resolution Plan was initially required to be implemented by the effective date of 17th February, 2024. However, owing to certain challenges faced by the SRA, the implementation could not be completed within the stipulated period. Accordingly, the Monitoring Committee filed an application before the Hon’ble NCLT seeking appropriate directions in relation to the implementation of the Approved Resolution Plan. On 3rd December, 2024, Hon’ble NCLT passed a subsequent order granting extension of the “effective date” for the implementation of the Resolution Plan up to 21 days from the date of uploading the NCLT Order i.e. up to 06.01.2025.

### Note 41: CIRP Process and Implementation of the Approved Resolution Plan (contd.)

For the purpose of implementing the Approved Resolution Plan, the SRA nominated Mandal Vyapar Private Limited (“MVPL”) as its Special Purpose Vehicle (“SPV”), which was duly noted by the Monitoring Committee at its meeting held on 16 December, 2024. Subsequently, on 6th January, 2025, the Holding Company reconstituted its Board of Directors in accordance with the Approved Resolution Plan and the directions of the Hon’ble NCLT. Accordingly, the tenure of the erstwhile directors ceased, and a newly constituted Board assumed management and control of the Holding Company. The new Board also constituted the requisite committees in accordance with the provisions of the Companies Act, 2013.

In accordance with the Approved Resolution Plan, the SRA is required to pay an aggregate resolution amount of Rs. 15,500.16 Lakhs towards settlement of the claims of various stakeholders. In addition to this, the SRA is required to bear the CIRP costs and provident fund liabilities. The resolution amount is payable in three tranches from the Effective Date and may be funded through the SRA’s own resources and/or the internal accruals of the Holding Company, as permitted under the Resolution Plan.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

Up to 31st March, 2025, the first tranche and a portion of the second tranche had been disbursed and the corresponding adjustments were made against the admitted claims in accordance with the Approved Resolution Plan. However, due to certain implementation challenges, the balance payments could not be made within the prescribed timelines. Accordingly, the SRA filed an application before the Hon'ble NCLT seeking an extension of time for payment of the balance consideration.

The Hon'ble NCLT, vide its Order dated 23rd September, 2025 (uploaded on 15th October, 2025), allowed I.A. (IBC)/862(KB)/2025 and granted an extension up to 30th September, 2025 for payment of the balance amount under the Approved Resolution Plan, subject to payment of costs of Rs. 100 Lakhs to the Prime Minister's National Relief Fund, which was duly paid by the SRA on 9th January, 2026. Further, pursuant to the Hon'ble NCLT Order dated 3rd December 2024 and 23rd September 2025, granting an extension of time up to 30th September, 2025 for completion of payments under the Approved Resolution Plan, the Resolution Applicant is required to make the final payments along with the interest and legal fees as per the following:

| Particulars                        | Final Resolution Plan Amount |
|------------------------------------|------------------------------|
| Financial Creditors - Secured      | 14,918.00                    |
| Financial Creditors - Unsecured    | 200.00                       |
| Workmen & Employee Dues            | 1.00                         |
| Operational Creditors              | 50.00                        |
| Government Claims & Statutory dues | 300.00                       |
| Other Creditors                    | 10.00                        |
| Shareholders                       | 21.16                        |
| Interest                           | 1,156.03                     |
| Legal Cost                         | 111.70                       |
| CIRP Cost                          | 400.78                       |
| Provident Fund                     | 329.99                       |
| PM CARES Fund                      | 100.00                       |
| <b>Total</b>                       | <b>17,598.66</b>             |

The balance amounting of Rs. 228.04 Lakhs unpaid as on 31st March, 2026 had already been earmarked and parked in a Bank account which is dedicated for implementation of the Resolution Plan are solely for the settlement of liabilities for which compliance is in process. The management is of the opinion that such all escrow accounts is being operated and controlled by the erstwhile Resolution Professional. Consequently, the bank balances in escrow account is not to reflected in the current Financial Statements. Further, an amount of Rs. 34.24 Lakhs, which is yet to settled due to compliance-related issues is reflected in the head "Financial Liabilities".

Final payment as per the approved resolution plan has been made in October'2025. Out of the total payment of Rs. 17,564.42 Lakhs (including the interest and legal fees) partly have been funded through borrowings and issue of Share Capital from the SRA amounting to Rs. 12,483.95 Lakhs and the balance amount of Rs. 5,080.47 Lakhs through internal accrual of funds generated by the Company from its ongoing operations and realization of receivables.

Further, as per the approved Resolution Plan, the SRA has extended protection of Rs. 25,100.00 Lakhs to the lenders against the Bank Guarantees issued. As at 31st March, 2026, protected Bank Guarantees amounting to Rs 15,021.96 Lakhs has remained active. Subsequent to the approval of the Plan on 19th December, 2023 ("Plan Approval Date"), Bank Guarantees aggregating to Rs 763.15 Lakhs have been invoked by customers out of the protected Bank Guarantees (Rs 487.80 Lakhs as at 30th June, 2025 and Rs 275.35 Lakhs as at 31st March, 2025). The accounting treatment of the related costs, fully funded through internal accruals, has been carried out in accordance with the provisions of the Resolution Plan. The invocation of the Bank Guarantees has been treated as payments made to secured financial creditors, in line with the protection extended by the SRA. During the year 2025-26, the Company paid Rs 97.56 Lakhs, representing 20% of Rs 487.80 Lakhs. The invoked Bank Guarantee amount, in accordance with the terms and conditions of the Resolution Plan. The said amount has been charged under the head "Other Expenses". The Financial Creditors ("FCs") with BG exposure shall continue to have charge over existing assets of the Company until release of taken over BGs.



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

### Note 41: CIRP Process and Implementation of the Approved Resolution Plan (contd.)

Pursuant to the implementation of the Approved Resolution Plan, 95% of the existing equity share capital of the Holding Company stood extinguished and cancelled in accordance with the terms of the Approved Resolution Plan. The SRA agreed to pay an amount of Re. 0.01 per share to the existing shareholders of the Holding Company as a gesture of goodwill. Accordingly, an amount aggregating to Rs. 21.16 Lakhs has been deposited in a designated escrow account for distribution to the eligible shareholders of which Rs. 5.39 lakhs remains to be disbursed to ultimate shareholders as at 31st March 2026. The company is making its best effort to disburse them to respective shareholders at earliest. Thereafter, fresh equity shares were issued to Mandal Vyapar Private Limited and to the financial creditors in the manner prescribed as laid out in the Resolution Plan as below:-

| Sl. No. | Name of Allottees             | No. of Equity Shares  | Amount          | % of Holding |
|---------|-------------------------------|-----------------------|-----------------|--------------|
| 1       | Mandal Vyapar Private Limited | 3,00,00,000.00        | 3,000.00        | 90%          |
| 2       | Financial Creditors           | 16,66,667.00          | 166.67          | 5%           |
| 3       | Existing shareholders         | 16,66,667.00          | 166.67          | 5%           |
|         | <b>Total</b>                  | <b>3,33,33,334.00</b> | <b>3,333.33</b> | <b>100%</b>  |

The Holding Company has duly complied with all applicable legal and regulatory requirements, including but not limited to those prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Holding Company has filed all requisite forms and disclosures with the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Ministry of Corporate Affairs relevant to the allotment and listing of the newly issued equity shares.

The 5% equity shares of the Holding Company offered to all the assenting Financial Creditors are allotted with a put option to buyback the shares for a total consideration of Rs 3,000 Lakhs upon expiry of 2 years from the date of allotment and the said Financial Creditors shall be at liberty to sell their respective share of the offered equity in the open market at any point of time after such allotment. The equity shares allotted by the Holding Company are awaiting listing and trading approval from the Stock Exchanges and consequently, until the shares are credited to the demat account of the assenting Financial Creditors, the question of buyback of such shares would not logically arise. The NCLT Order dated 3rd December 2024 linked the payment obligation of SRA with respect to share buyback to the expiry of 2 years from the original effective date i.e. 17th February 2024 subject to the credit of shares in the demat accounts of assenting Financial Creditors.

The Holding Company has filed application before the Hon'ble National Company Law Tribunal ("NCLT") seeking appropriate directions in this regard and the matter is currently pending adjudication before the Tribunal.

### Note 42: Accounting Effect of the Approved Resolution Plan

During the current financial year, the holding company incorporated the effects as required by the resolution plan approved by Hon'ble NCLT Kolkata bench dated 3rd December 2024 and 23rd September 2025. Accordingly, the liabilities which are extinguished under the Approved Resolution Plan has been accounted for as below after considering the payments and settlements made as set out in Note 41.

| Sl. No. | Particulars                                                                    | FY 2025-26  | FY 2024-25 | Adjustment made through |
|---------|--------------------------------------------------------------------------------|-------------|------------|-------------------------|
| 1       | Extinguishment of financial liabilities of banks and ICD borrowings            | 2,95,687.14 | -          | Other Equity            |
| 2       | Extinguishment of financial liabilities of preference share capital            | 975.00      | -          |                         |
| 3       | Extinguishment of financial liabilities of Premium on preference share capital | 4,476.43    | -          |                         |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

|              |                                                                                       |                    |                 |                   |
|--------------|---------------------------------------------------------------------------------------|--------------------|-----------------|-------------------|
| 4            | Settlement of Government Claims and Statutory Dues                                    | (208.99)           | (233.67)        | Exceptional Items |
| 5            | Extinguishment of financial liabilities of Interest towards banks and other creditors | 3,69,661.78        | -               |                   |
| 6            | Extinguishment of financial liabilities of Dividend Distribution Tax                  | 540.26             | -               |                   |
| 7            | Extinguishment of Operational creditors                                               | 18,408.56          | -               |                   |
| 8            | Settlement of Other Claims                                                            | (21.56)            | -               |                   |
| 9            | Extinguishment of Workmen & Employee Dues                                             | 763.68             | -               |                   |
| <b>Total</b> |                                                                                       | <b>6,90,282.31</b> | <b>(233.67)</b> |                   |

Pursuant to the transfer of control, the management of the Holding Company undertook a comprehensive assessment of the recoverability of certain long-outstanding balances based on the information available and circumstances prevailing as at the reporting date. Based on the outcome of such assessment, the Holding Company has recognised provisions against balances where significant uncertainty exists regarding their realisability and has written off certain balances considered irrecoverable during the financial year ending 31st March 2025 and 31st March 2026. Accordingly, the resulting provisions and write-offs have been recognised in the financial statements and disclosed under "Other Expenses" in the Statement of Consolidated Profit and Loss.

| Sl. No. | Management Decision           | Head                                 | FY 2025-26  | FY 2024-25 |
|---------|-------------------------------|--------------------------------------|-------------|------------|
| 1       | Net Provision made/(reversed) | Investments                          | (2,707.87)  | -          |
| 2       |                               | Inventory                            | 23.45       | -          |
| 3       |                               | Debtors                              | (33,866.16) | 34,881.20  |
| 4       |                               | Claims Recoverable                   | -           | 17,648.25  |
| 5       |                               | Loans and Advance to suppliers       | 413.62      | 24,995.04  |
| 6       |                               | Security Deposits                    | 658.68      | -          |
| 7       | Write offs                    | Capital Work in Progress             | -           | 462.62     |
| 8       |                               | Investments                          | 2,707.87    | -          |
| 9       |                               | Debtors                              | 42,276.36   | 2,481.67   |
| 10      |                               | Loans                                | 1,425.12    | -          |
| 11      |                               | Claims Recoverable                   | 2,662.06    | 251.40     |
| 12      |                               | Balances with Government Authorities | 7,726.12    | -          |

The aforesaid assessment is an ongoing exercise, and the management continues to pursue recovery of such balances wherever considered feasible. Any recoveries, reversals, or further adjustments arising from the outcome of such efforts will be recognised in the financial statements in the year in which they are identified.

### Note 43:

Pursuant to the implementation of the Approved Resolution Plan, the Holding Company has undergone financial restructuring, including settlement, extinguishment of certain liabilities and reconstitution of its Board of Directors. The management has assessed the business plans, operational outlook, available financial resources and is of the view that the Group will be able to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the Group has adequate resources to continue its operations for the foreseeable future and, therefore, the accompanying consolidated financial statements have been prepared on a going concern basis.

### Note 44:

The Holding Company had received Notice imposing Standard Operating Procedure (SOP) Fines amounting to Rs 68.51 Lakhs (including GST) from BSE Limited (BSE) and Rs 68.76 Lakhs (including GST) from the National Stock Exchange of India Limited (NSE), collectively the "Stock Exchanges", for non-compliance with the conditions of corporate governance up to the period ended 31st March 2026. The waiver applications were considered by the respective Stock Exchange and



partial waiver granted by BSE on 24th December, 2025 and by NSE on 6th February, 2026. The net amount of SOP Fines determined by BSE at Rs 11.69 Lakhs (including GST) was paid on even date and the total SOP Fine amount determined by NSE at Rs 16.37 Lakhs (including GST) was paid as - Rs 10.94 Lakhs on 13th February, 2026 and Rs 5.43 Lakhs on 19th February, 2026.

The payment of outstanding SOP fines was a pre-condition for granting approval to the Equity Share Listing Application filed by the Holding Company with the Stock Exchanges. Pursuant to payment of SOP Fines, BSE issued the In-principle Listing Approval on 13th January, 2026 followed by a revised approval on 16th March, 2026 for the entire shares allotted. NSE however has issued listing approval for 95% of the Shares up to 24th April, 2026 and balance 5% shares in respect of shares issued to the financial creditors is still pending for approval. Necessary Corporate Action for capital reduction in respect of 5% “public shareholding” has been executed by the Holding Company but pending for approval of NSDL and CDSL. Corporate Action on the remaining 95% shares will be executed in due course in a phased manner on the basis of Distinctive Number Range assigned to the shares in the Listing Approvals granted by the Stock Exchanges.

**Note 45:**

The Government had granted a special exemption to the Holding Company under Paragraph 79 of the EPF Scheme, which was cancelled with effect from 7th February 2024. Pursuant to the cancellation, the Company and its Board of Trustees are required to comply with the provisions of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and Paragraph 28 of the EPF Scheme.

In accordance with the directions issued by Employees’ Provident Fund Organization (“EPFO”) dated 7th February 2024, and given the direction to transfer all the accumulated amount in the trust. Subsequently, EPFO raised a demand dated 12th November 2025 aggregating to Rs 564.81 Lakhs towards damages under Section 14B and Rs 395.52 Lakhs towards interest under Section 7Q.

The Holding Company has already paid a sum of Rs 6,368.95 Lakhs to the EPFO up to 6th January 2025 out of the accumulated funds and filed an appeal before the Central Government Industrial Tribunal, which granted a stay on recovery of damages under Section 14B, while holding the appeal against the demand under Section 7Q as non-maintainable. Thereafter, the Holding Company filed a writ petition before the Hon’ble Jharkhand High Court challenging the demand raised under Section 7Q. The High Court, by order dated 22nd January 2026, granted a stay on recovery proceedings under both Sections 7Q and 14B, including the bank attachment initiated by EPFO.

Accordingly, as the matter is presently sub judice and recovery of the entire demand remains stayed, no liability has been crystallized as at the reporting date. In the opinion of the management further liability have been recognized in this financial statement as the same in the contingent in nature. The matter is listed for further hearing, and the Holding Company is pursuing appropriate legal remedies.

**Note 46:**

Trade Receivables, Other Financial Assets, Other Current Assets, Trade Payables, and Advances from Customers are subject to confirmation and reconciliation with the respective parties. These balances are also subject to the outcome of pending arbitrations, claim settlements, and any consequential adjustments arising therefrom, if any. Furthermore, the Management’s review process in this regard is ongoing, the impact of which, if any, will be accounted for in due course.

# Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

## Note 47: Additional Information required by Schedule III to the Act

| Name of the Entity in the Group                            | Net Assets (total assets minus liabilities) |                    | Share in profit or loss            |                    | Share in Other Comprehensive Income            |                    | Share in Total Comprehensive Income            |                    |
|------------------------------------------------------------|---------------------------------------------|--------------------|------------------------------------|--------------------|------------------------------------------------|--------------------|------------------------------------------------|--------------------|
|                                                            | As a % Consolidated Net Assets              | Amount (Rs. Lakhs) | As a % Consolidated Profit or Loss | Amount (Rs. Lakhs) | As a % Consolidated Other Comprehensive Income | Amount (Rs. Lakhs) | As a % Consolidated Total Comprehensive Income | Amount (Rs. Lakhs) |
| <b>Holding Company</b>                                     |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| <b>McNally Bharat Engineering Company Limited</b>          |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 99.97%                                      | 57,059.36          | 100.00%                            | 3,44,956.60        | 100.00%                                        | (61.50)            | 100.00%                                        | 3,44,895.10        |
| 31st March 2025                                            | 100.01%                                     | (5,89,227.37)      | 100.00%                            | (1,71,608.57)      | 69.12%                                         | 39.87              | 100.01%                                        | (1,71,568.70)      |
| <b>Subsidiaries (Group's Share)</b>                        |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| <b>MBE Mineral Technologies Pte Ltd.</b>                   |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 0.00%                                       | -                  | 0.00%                              | -                  | 0.00%                                          | -                  | 0.00%                                          | -                  |
| 31st March 2025                                            | 0.04%                                       | (244.65)           | 0.00%                              | -                  | -11.57%                                        | (6.67)             | 0.00%                                          | (6.67)             |
| <b>McNally Bharat Equipments Limited</b>                   |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 0.03%                                       | 19.20              | 0.00%                              | (1.41)             | 0.00%                                          | -                  | 0.00%                                          | (1.41)             |
| 31st March 2025                                            | 0.00%                                       | 20.63              | 0.00%                              | (1.93)             | 0.00%                                          | -                  | 0.00%                                          | (1.93)             |
| <b>MBE Minerals Zambia Limited</b>                         |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 0.00%                                       | -                  | 0.00%                              | -                  | 0.00%                                          | -                  | 0.00%                                          | -                  |
| 31st March 2025                                            | 0.05%                                       | (265.50)           | 0.00%                              | (0.22)             | 42.45%                                         | 24.49              | -0.01%                                         | 24.27              |
| <b>McNally Bharat Engineering (SA) Proprietary Limited</b> |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 0.00%                                       | -                  | 0.00%                              | -                  | 0.00%                                          | -                  | 0.00%                                          | -                  |
| 31st March 2025                                            | 0.00%                                       | -                  | 0.00%                              | -                  | 0.00%                                          | -                  | 0.00%                                          | -                  |
| <b>Non-Controlling Interest</b>                            |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 0.00%                                       | 0.13               | 0.00%                              | (0.01)             | 0.00%                                          | -                  | 0.00%                                          | (0.01)             |
| 31st March 2025                                            | 0.00%                                       | 0.14               | 0.00%                              | (0.01)             | 0.00%                                          | -                  | 0.00%                                          | (0.01)             |
| <b>Adjustment for change in ownership interest</b>         |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 0.00%                                       | -                  | 0.00%                              | -                  | 0.00%                                          | -                  | 0.00%                                          | -                  |
| 31st March 2025                                            | -0.10%                                      | 575.29             | 0.00%                              | -                  | 0.00%                                          | -                  | 0.00%                                          | -                  |
| <b>Total</b>                                               |                                             |                    |                                    |                    |                                                |                    |                                                |                    |
| 31st March 2026                                            | 100.00%                                     | 57,078.69          | 100.00%                            | 3,44,955.18        | 100.00%                                        | (61.50)            | 100.00%                                        | 3,44,893.68        |
| 31st March 2025                                            | 100.00%                                     | (5,89,141.48)      | 100.00%                            | (1,71,610.71)      | 100.00%                                        | 57.69              | 100.00%                                        | (1,71,553.02)      |



# Notes to the Consolidated Financial Statements for the year ended 31st March, 2026

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

## Note 48:

### Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or is pending against it for holding any Benami property.
- (ii) The Group does not have any transactions with Companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- (iii) The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) Pursuant to implementation of the resolution plan, there is no outstanding from banks or financial institutions. So, filing of quarterly statements are not required.
- (vi) The Group does not have any charge or satisfaction of charge, which is yet to be filed with ROC beyond the statutory period.
- (vii) The Group has not advanced or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - (a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.
- (viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that it shall:
  - (a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) During the year, an income tax search and seizure operation was conducted at the premises of the Holding Company under the provisions of the Income-tax Act, 1961. As on the date of approval of these financial statements, no demand, assessment order, or communication requiring disclosure of any unrecorded income or transactions has been received by the Company pursuant to such proceedings. Accordingly, no transactions previously unrecorded in the books of account have been surrendered or disclosed as income during the year.

## Note 49:

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 50:

The Holding Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same were operating throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level to log any direct data changes and in case of modification by certain users with specific access. Further there was no instance of audit trail feature being tampered with respect to the accounting softwares.

## Note 51:

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

### Signature to Notes 1 to 51

As per our Report of even date

**For V. Singhi & Associates**

Chartered Accountants

Firm Registration Number: 311017E

**(Aniruddha Sengupta)**

Partner

Membership Number: 051371

**For McNally Bharat Engineering Company Limited**

**(Partha Sarathi Bhattacharyya)**

Director

DIN 00329479

**(Pradip Kumar Bishnoi)**

Director

DIN 00732640

Place: Kolkata

Date : 28th May, 2026

**(Rajendra Mohan Mathur)**

Chief Executive Officer

**(Rupayan Majumdar)**

Chief Financial Officer

**(Indrani Ray)**

Company Secretary

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures****Part A: Subsidiaries**

| Sl. No. | Name of the subsidiary                                                                                                       | 1                                          |
|---------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
|         |                                                                                                                              | McNally Bharat Equipment Limited           |
| 1       | The date since when subsidiary was acquired                                                                                  | 07 March 2008                              |
| 2       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | Same as holding company's reporting period |
| 3       | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | INR (Lakhs)                                |
| 4       | Share capital                                                                                                                | 10.00                                      |
| 5       | Reserves and surplus                                                                                                         | 9.20                                       |
| 6       | Total assets                                                                                                                 | 141.24                                     |
| 7       | Total Liabilities                                                                                                            | 122.04                                     |
| 8       | Investments                                                                                                                  | -                                          |
| 9       | Turnover                                                                                                                     | -                                          |
| 10      | Profit / Loss before taxation                                                                                                | (1.42)                                     |
| 11      | Provision for taxation                                                                                                       | -                                          |
| 12      | Profit / Loss after taxation                                                                                                 | (1.42)                                     |
| 13      | Proposed Dividend                                                                                                            | -                                          |
| 14      | Extent of shareholding (in percentage)                                                                                       | 99.40%                                     |

**Part B: Associates and Joint Ventures**

| Sl. No. | Name of the Associates or Joint Ventures                                  | 1                                         | 2                                         | 3                                         |
|---------|---------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
|         |                                                                           | McNally trolex Kilburn (JV)               | McNally Trolex (JV)                       | McNally AML (JV)                          |
| 1       | Latest Balance Sheet Date                                                 | 31 March 2026                             | 31 March 2026                             | 31 March 2026                             |
| 2       | Date on which the Associate or Joint Venture was associated or acquired   | 03 September, 2020                        | 07 October, 2020                          | 12 October, 2020                          |
| 3       | Shares of Associate or Joint Ventures held by the Company on the year end | 80%                                       | 96-97%                                    | 97-98%                                    |
| 4       | Amount of Investment in Associates or Joint Ventures                      | -                                         | -                                         | -                                         |
| 5       | Extent of Holding (%)                                                     | 80%                                       | 96-97%                                    | 97-98%                                    |
| 6       | Joint Control / Significant influence                                     | Joint Venture                             | Joint Venture                             | Joint Venture                             |
| 7       | Reason for not consolidated                                               | Profit / (Loss) for the year not material | Profit / (Loss) for the year not material | Profit / (Loss) for the year not material |
| 8       | Networth attributable to Shareholding as per latest audited Balance Sheet | -                                         | -                                         | -                                         |
| 9       | Profit / Loss for the year                                                |                                           |                                           |                                           |
|         | i) Considered in Consolidation                                            | -                                         | -                                         | -                                         |
|         | II) Not Considered in Consolidation                                       | -                                         | -                                         | -                                         |



- 1 Names of subsidiaries which are yet to commence operations: Nil
- 2 The Company's wholly owned foreign subsidiary namely MBE Mineral Technologies Pte Ltd has been deregistered / struck off by the Regulatory Authority in Singapore.
- 3 The Company's investment in foreign subsidiaries MBE Minerals Zambia Limited and McNally Bharat Engineering (SA) Proprietary Limited were fully impaired.
- 4 EMC MBE Contracting Co LLC, a joint venture for MBECL having 35% share is a dormant JV since last couple of years hence the value of such investment was impaired.

**For McNally Bharat Engineering Company Limited**

**Rupayan Majumdar**  
*Chief Financial Officer*

**Pradip Kumar Bishnoi**  
*Director*  
DIN: 00732640

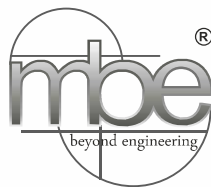
**Partha Sarathi Bhattacharyya**  
*Chairman*  
DIN: 00329479

Date: 28th May 2026

**(Rajendra Mohan Mathur)**  
*Chief Executive Officer*

**Indrani Ray**  
*Company Secretary*

Place: Kolkata



Ecospace Business Park, Campus – 2B,  
11F/12, Rajarhat, New Town, Kolkata 700160, India  
Phone: +91-33-68311001 /+91-33-68311212  
Email: [mbe.corp@mbecol.co.in](mailto:mbe.corp@mbecol.co.in) / Website: [www.mcnallybharat.com](http://www.mcnallybharat.com)  
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