



Independent Auditor's Report on the quarterly and year-to-date audited financial results of the company pursuant to the regulations 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

TO THE BOARD OF DIRECTORS OF  
Mangalam Engineering Projects Ltd  
101C, Kundan House, Harinagar Ashram  
Mathura Road, Ground Floor  
New Delhi – 110014

**Report on the audit of the Financial Results**

**Opinion**

We have audited the accompanying quarterly financial results of Mangalam Engineering Projects Limited (the company) for the quarter ended 31.03.2020 and the year to date results for the period from 01.04.2019 to 31.03.2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit, other comprehensive income and other financial information for the quarter ended 31.03.2020 as well as the year to date results for the period from 01.04.2019 to 31.03.2020.





### **Basis for Opinion**

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

### **Management's Responsibilities for the Financial Results**

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the financial statements. The Company's management is responsible for the preparation of these financial results that give a true and fair view of the net profit, other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The management is also responsible for overseeing the Company's financial reporting process.





### **Auditor's Responsibilities for the Audit of the Financial Results**

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

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

- Identify and assess the risks of material misstatement of the financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Other Matters**

The statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures upto the 3<sup>rd</sup> quarter of the current financial year, which were subjected to a limited review by us, as required under the listing regulations.

For H. B. & ASSOCIATES  
Chartered Accountants  
(Firm ICAI Regd. No.0322716E)



(H.S. Semapat)  
Partner  
Membership No. 054660  
UDIN : 20054660AAAACF9645

Place : Kolkata  
Date : 30<sup>th</sup> June 2020

MANGALAM ENGINEERING PROJECTS LIMITED  
 REGD. OFF. 101 C, GROUND FLOOR, KUNDAN HOUSE, HARINAGAR ASHRAM, MATHURA RAOD, NEW DELHI DL 110014  
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 WEBSITE: www.mangalamengineering.com  
 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

PARTICULARS	QUARTER ENDED			(₹ in Lakhs) except EPS	
	31.03.2020 (AUDITED)	31.12.2019 (UNAUDITED)	31.03.2019 (AUDITED)	ACCOUNTING YEAR ENDED 31.03.2020 (AUDITED)	PREVIOUS ACCOUNTING YEAR ENDED 31.03.2019 (AUDITED)
1. Revenue from Operations	14.46	1.41	1.36	31.82	5.87
2. Other Income	(0.46)	0.84	0.11	0.45	0.22
<b>Total income</b>	<b>13.99</b>	<b>2.25</b>	<b>1.48</b>	<b>32.26</b>	<b>6.09</b>
3. Expenses					
(a) Change in inventories of Finished Goods, Work-in-Progress and Stock-in-trade	0.29	(0.13)	(0.17)	0.18	(0.34)
(b) Employees benefit expense	1.40	1.19	1.37	5.20	7.16
(c) Other Expenditure	3.28	0.58	2.52	5.62	10.15
<b>Total expenses</b>	<b>4.68</b>	<b>1.65</b>	<b>3.89</b>	<b>11.00</b>	<b>16.97</b>
4. Profit/(Loss) before exceptional items and tax (2-3)	9.31	0.60	(2.41)	21.26	(10.88)
5. Exceptional Items	-	-	-	-	-
6. Profit/(Loss) before tax (PBT) (4-5)	9.31	0.60	(2.41)	21.26	(10.88)
7. Tax Expense	0.01	-	-	0.01	-
8. Net Profit/(Loss) after tax for the period (PAT) (6-7)	9.30	0.60	(2.41)	21.25	(10.88)
9. Other Comprehensive income for the period (Net of Tax)	(12.79)	(59.37)	100.81	(191.02)	150.51
10. Total Comprehensive income for the period (comprising profit and other comprehensive income) (8+9)	(3.49)	(58.76)	98.40	(169.77)	139.63
11. Paid-up equity share capital (Face Value of ₹ 10/- Each)	122.50	122.50	122.50	122.50	122.50
12. Other Equity Excluding Revaluation Reserve					
13. Basic and Diluted Earning Per Share (Face Value of ₹ 10/- Per Share) (In ₹)					
Basic and Diluted EPS before Extraordinary Items	0.76	0.05	(0.20)	1.73	(0.89)
Basic and Diluted EPS after Extraordinary Items	0.76	0.05	(0.20)	1.73	(0.89)
	(Not Annualised)	(Not Annualised)	(Not Annualised)	(Annualised)	(Annualised)



## Notes:

(i) Statement of assets and liabilities as at 31st March, 2020 as per Regulation 33(3)(f) of the (Listing Obligations &amp; Disclosure Requirements) Regulations, 2015

		(₹ in Lakhs)	
Particulars	As at 31st March, 2020 (audited)	As at 31st March, 2019 (Audited)	
<b>I ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Property, Plant and Equipment	0.001	0.001	
<b>b) Financial Assets</b>			
i) Investments	712.904	870.326	
c) Deferred Tax Assets	-	26.773	
	<b>712.905</b>	<b>897.101</b>	
<b>2) Current Assets</b>			
a) Inventories	0.795	0.975	
<b>b) Financial Assets</b>			
i) Cash and Cash Equivalents	13.932	2.082	
ii) Loan	56.656	54.504	
iii) Other Financial Assets	0.023	0.001	
b) Current Tax Assets (Net)	1.099	1.128	
	<b>72.505</b>	<b>58.690</b>	
<b>Total Assets</b>	<b>785.410</b>	<b>955.790</b>	
<b>II EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
a) Equity Share Capital	122.500	122.500	
b) Other Equity	662.253	832.019	
<b>Total Equity</b>	<b>784.753</b>	<b>954.519</b>	
<b>2) Liabilities</b>			
<b>i) Non-Current Liabilities</b>			
a) Deferred Tax Liability (Net)	0.010	-	
	<b>0.010</b>	<b>-</b>	
<b>ii) Current Liabilities</b>			
a) Financial Liabilities			
Trade Payables			
-Total outstanding dues of micro enterprises and small enterprises			
-Total outstanding dues of creditors other than micro enterprises and small enterprises	0.106	0.527	
Others	0.396	0.607	
b) Other Liabilities	0.003	0.001	
c) Provisions	0.142	0.136	
	<b>0.647</b>	<b>1.271</b>	
<b>Total Liabilities</b>	<b>0.657</b>	<b>1.271</b>	
<b>Total Equity and Liabilities</b>	<b>785.410</b>	<b>955.790</b>	



Notes:

(ii) Statement of cash flows as at 31st March,2020.

(₹ in Lakhs)

Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
<b>(A) Cash Flow from Operating Activities:</b>		
Profit/(Loss) before tax	21.261	(10.882)
Add: Adjustments for :		
Contingency Provision against Standard Asset	0.005	(0.020)
Dividend Income	(26.093)	-
Interest Income	(5.724)	(5.875)
Profit on Sale of Mutual Fund	(0.096)	-
	(10.646)	(16.777)
Operating Profit before Working Capital changes		
Decrease/(Increase) in Loans and Advances	(2.123)	4.118
(Increase)/Decrease in Inventories	0.180	(0.337)
Increase/(Decrease) in Trade Payables	(0.421)	0.419
Increase/(Decrease) in Other Current Liabilities	0.002	-
Increase/(Decrease) in Other Current Financial Liabilities	(0.211)	0.607
Decrease/(Increase) in Other Current Assets	(0.023)	3.899
<b>Cash Generation from / (Used in) operations</b>	<b>(13.242)</b>	<b>(8.071)</b>
Direct Tax ( Payments ) / Refunds	-	-
<b>Net Cash From / (Used in) Operating Activities</b>	<b>(13.242)</b>	<b>(8.071)</b>
<b>(B) Cash Flow from Investing Activities:</b>		
Interest received	5.724	5.875
Dividend Income	26.093	-
(Purchase)/Sale of Investments (Net)	(6.820)	-
Profit on Sale of Mutual Fund	0.096	-
<b>Net Cash From / (Used in) Investing Activities</b>	<b>25.092</b>	<b>5.875</b>
<b>(C) Cash Flow from Financing Activities:</b>		
Other Borrowing Costs	-	-
<b>Net Cash From / (Used in) in Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>11.850</b>	<b>(2.196)</b>
*Cash and Cash equivalents at the beginning of the period	2.082	4.278
*Cash and Cash equivalents at the end of the period	13.932	2.082



- (iii) Reconciliation between Financial Results previously reported (referred to as "Previous GAAP") and as per Ind AS for the Quarter/ Year ended presented are as under:

SL	Particulars	Quarter Ended	Year Ended
		31.03.2019	31.03.2019
		(Unaudited)	(Unaudited)
	Net Profit under Previous GAAP (after tax):	(2.42)	(11.22)
	<b>Add / (Less) : Adjustments on account of Ind AS:</b>		
(i)	Adjustment due to Fair Valuation of Inventories	0.17	0.34
	Adjustment on account of Tax Expense	-	-
	<b>Net Profit (after tax) under Ind AS:</b>	<b>(2.25)</b>	<b>(10.88)</b>
(ii)	Fair Valuation of Equity Instruments designated at "Other Comprehensive	100.81	150.51
	Net Profit under IND AS (after tax):	<b>98.56</b>	<b>139.63</b>

- (iv) Reconciliation of Other Equity previously reported (referred to as "Previous GAAP") and as per Ind AS as at:

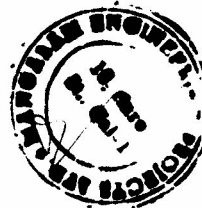
PARTICULARS	As at 31.03.2019 (₹)	As at 1.04.2018 (₹)
Other Equity as per Previous GAAP	80.89	92.12
Adjustments for :-		
Change in Fair value of Inventories	0.958466	0.62
Investments in Equity Shares Measured at FVTOCI	723.39	584.80
Recognition of Deferred Tax	26.77	-
Other Equity as per Ind AS	832.02	677.54

- (v) The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April I, 2019 and the effective date of such transition is April I, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (Collectively referred to as "the Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated 11th October, 2018, issued by the Ministry of Corporate Affairs, Government of India.
- (vi) The figures for the quarter ended March 31, 2020 represents the derived figures between the audited figures in respect of the year ended March 31, 2020 and the unaudited published period to date figures upto December 31, 2019 being the date of the end of the third quarter of the current year end which were subjected to a limited review.
- (vii) The above results were reviewed and approved by the Board of Directors of the Company at their meetings held on 30th June, 2020.
- (viii) Other Comprehensive Income (OCI) comprises of change in the fair value of Equity Investments not held for trade (other than Subsidiaries, Joint Ventures and Associates).
- (ix) Since the Company has currently no reportable business segment and the Company operates in a single geographical segment, there are no additional disclosures to be provided under Ind AS 108, 'Operating Segments'.



- (x) **Uncertainty relating to the global health pandemic on COVID-19**  
The Company has considered internal and external information upto the date of approval of Financial Statement in assessing the recoverability of Property, Plant and Equipment, Receivable, cash and cash equivalent, investment and other assets and liabilities. The Company has performed sensitivity analysis on the assumption use and based on current indicator of future economic conditions, the expect to recover the carrying amount of thses asset. The company has concluded the other impact of COVID-19 is not material based on these estimates. The impact of global health pandemic may be different from that estimated as at the date of approval of these financial statement and the company will continue to closely monitor any material changes to future economic conditions.
- (xi) Previous years/periods' figures have been rearranged/regrouped/reclassified, wherever necessary, to make them comparable with those of current year/period.

By Order of the Board



Rajendra Prasad Chowdhary  
Director  
DIN NO. 76698

Place: Kolkata  
Date: 30th June 2020