

## McNally Bharat Engineering Company Limited

CIN: L45202WB1961PLC025181

Corporate Office: Ecospace Campus 2B 11F/12

New Town Rajarhat North 24 Parganas Kolkata-700160

Telephone +91 3344591111

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

Registered Office: 4 Mangoe Lane Kolkata-700001

30<sup>th</sup> May 2023

### National Stock Exchange of India Limited

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

Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

### BSE Limited

Corporate Relations Department

1<sup>st</sup> Floor, New Trading Ring, Rotunda Building

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001

Dear Sir/Madam,

### Sub: Annual Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March 2023 under Regulation 24A of SEBI Listing Regulations, 2015.

Scrip Code/Symbol: 532629 / MBECL

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February 2019 enclosed herewith the Annual Secretarial Compliance Report dated 26<sup>th</sup> May 2023 issued by Mr. Asit Kumar Labh, Practicing Company Secretary (Membership No. ACS 32891/ CP No. 14664) of A.K. Labh & Co., Company Secretaries, for the financial year ended 31<sup>st</sup> March 2023.

The said Report is being uploaded on the Company website [www.mcnallybharat.com](http://www.mcnallybharat.com). This is for your information and records.

Yours faithfully

For McNally Bharat Engineering Company Limited

INDRANI  
RAY

Digitally signed by INDRANI RAY  
DN: c=IN, o=Personal,  
ou=Personal, email=indrani.ray@mcnallybharat.com,  
serial=202305301100221402937,  
cn=INDRANI RAY

Indrani Ray

Company Secretary

Encl: As above

*[McNally Bharat Engineering Company Limited is under Corporate Insolvency Resolution Process as per provisions of the Insolvency and Bankruptcy Code, 2016. Its affairs, business, and assets are being managed by the Resolution Professional, Mr. Ravi Sethia, appointed by the Kolkata Bench of the Hon'ble National Company Law Tribunal vide Order dated 26 August 2022 (Order published on 2 September 2022) under the provisions of the Code.]*



**Secretarial Compliance Report of McNally Bharat Engineering Company Limited  
(Company under Corporate Insolvency Resolution Process)  
for the financial year ended 31<sup>st</sup> March 2023**

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by *McNally Bharat Engineering Company Limited* (Company under Corporate Insolvency Resolution Process) (hereinafter referred as 'the listed entity'), having its Registered Office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, 7th Floor, Kolkata – 700001, West Bengal. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that in my opinion, the listed entity has, during the review period covering the financial year ended on 31<sup>st</sup> March 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I, Asit Kumar Labh, *Practicing Company Secretary*, have examined:

- all the documents and records made available to me and explanation provided by *McNally Bharat Engineering Company Limited* (Company under Corporate Insolvency Resolution Process) ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,





for the year ended 31<sup>st</sup> March 2023 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client,

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period :

- I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:





Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice / Warning, etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	SEBI (LODR) Regulations, 2015	Regulation 31(2)	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.2023	-	-	87.03 % of the shareholding of promoter(s) and promoter group is in dematerialized form as on 31.03.2023.	-	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.2023.	Equity shares allotted to promoters are pending dematerialization since listing applications have been filed with the Stock Exchanges and the shares are in the process of listing.	-
2.	SEBI Circular	SEBI Circular No. SEBI/HO/ CFD/ CMD1/ CIR/ P/ 2019/ 140 dated November 21, 2019	Delay in submission of disclosure with respect to defaults in payment of interest/ repayment of principal amount on loans from banks/ financial institutions	-	-	The disclosure is required to be submitted within 7 days from the end of quarter. However, the same was submitted on 12.07.2022 for the Quarter ended 30.06.2022.	-	There was delay in submission of Quarterly disclosure with the Stock Exchange for the default in redemption of Non-Convertible Redeemable Preference Shares for the Quarter ended 30th June, 2022.	Due to certain technical problems, the disclosure with respect to defaults in payment of interest/ repayment of principal amount on loans from banks/ financial institutions, was submitted on 12.07.2022.	-





3.	SEBI (LODR) Regulations, 2015	Regulation 17(1A)	No prior approval from shareholders for continuation of directorship on attaining 75 years of age	-	-	Mr. Nilotpal Roy, Non-executive Independent Director, attained the age of 75 years on 14.01.2023, however, shareholders' approval was taken on 18.03.2023.	-	Prior approval from shareholders through special resolution was not taken for continuation of directorship of Mr. Nilotpal Roy, Non-executive Independent Director, on attaining 75 years of age.	The Company has obtained Shareholders' approval by passing special resolution through postal ballot/e-voting on 18th March 2023 with effect from the date of attaining 75 years of age.	-
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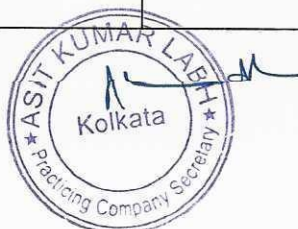
(a) The listed entity has taken the following actions to comply with the observations made in previous reports :

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice / Warning, etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	SEBI (LODR) Regulations, 2015	Regulation 31(2)	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.2022.	-	-	87.03 % of the shareholding of promoter(s) and promoter group is in dematerialized form as on 31.03.2022.	-	The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31.03.2022.	Equity shares allotted to promoters are pending dematerialization since listing applications have been filed with the Stock Exchanges and the shares are in the process of listing.	-





2	SEBI Circular	SEBI Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2019/ 140 dated November 21, 2019	Non-submission of disclosure with respect to defaults in payment of interest/ repayment of principal amount on loans from banks/ financial institutions.	-	-	The Company had not submitted quarterly disclosure of default as required in the referred SEBI Circular for the Quarter ended 30th June, 2021.	-	The Company had not submitted quarterly disclosure of default as required in the referred SEBI Circular for the Quarter ended 30th June, 2021.	On account of lockdown due to spread of 2nd phase of Covid and non-accessibility of office, the disclosure pursuant to SEBI Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2019/ 140 dated November 21, 2019 for the quarter ended June 30, 2021 could not be given for want of various data/ financial information. However, when the office re-opened and the situation was somewhat normalized, the Company has submitted the disclosure as required under the said circular for the quarter ended September 30, 2021 onwards.	-
3	SEBI (LODR) Regulations, 2015	Regulation 47	Non-submission of Newspaper Publication (Financial Results) with the Stock Exchanges.	-	-	The Company has not submitted Newspaper Publications of Quarterly Financial Results with the Stock Exchanges.	-	The Company has not submitted Newspaper Publications of Quarterly Financial Results with the Stock Exchanges.	The Company has submitted the Results with the SE and made publication in the newspaper within the time as prescribed under the regulations.	-





II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019 :

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
1.	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	N.A.	No such case was reported during the financial year under report.
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	N.A.	No such case was reported during the financial year under report.
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	N.A.	No such case was reported during the financial year under report.
2.	<b>Other conditions relating to resignation of statutory auditor</b>		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee :	N.A.	No such case was reported during the financial year under report.





- a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.
- b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/explanation from the Company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.
- c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.

ii. Disclaimer in case of non-receipt of information :

The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/NFRA, in case where the listed entity / its material subsidiary has not provided information as required by the auditor.







3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	N.A.	No such case was reported during the financial year under report.
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III. I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1	<b>Secretarial Standards:</b>  The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2	<b>Adoption and timely updating of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entity.</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI.</li> </ul>	Yes  Yes	





3.	<p><b>Maintenance and disclosures on Website:</b></p> <ul style="list-style-type: none"> <li>• The listed entity is maintaining a functional website.</li> <li>• Timely dissemination of the documents / information under a separate section on the website.</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s) / section of the website.</li> </ul>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	
4.	<p><b>Disqualification of Director:</b></p> <p>None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	<p>Yes</p>	<p>The Company has been admitted to Corporate Insolvency Resolution Process ('CIRP') vide an Order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench on 29th April, 2022 in Company Application No. C.P.(IB)No.891/KB/2020 under Section 7 of the Insolvency and Bankruptcy Code, 2016. Consequently, the Board of Directors of the Company stands suspended as on date.</p>





5	<p><b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b></p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Disclosure requirement of material as well as other subsidiaries.</p>	<p>Yes</p> <p>N.A.</p>	<p>During the financial year under report, the Company had one (1) Indian subsidiary and two (2) overseas subsidiaries which were not 'material subsidiaries' as on 31st March 2023. .</p>
6	<p><b>Preservation of Documents:</b></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	<p>Yes</p>	
7	<p><b>Performance Evaluation:</b></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	<p>No</p>	<p>No Board Evaluation has been conducted during 2022-23 since the Board remained suspended vide NCLT Order w.e.f. 29th April 2022 and the Company is under Corporate Insolvency Resolution Process</p>
8	<p><b>Related Party Transactions:</b></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(b) (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p>	<p>N.A.</p> <p>N.A.</p>	<p>The Board of Directors and the Committees stand suspended since the Company is under Corporate Insolvency Resolution Process.</p> <p>All related party transactions were approved/ratified by the Committee of Creditors under the advice of Resolution professional.</p>





9.	<b>Disclosure of events or information:</b>  The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<b>Prohibition of Insider Trading:</b>  The listed entity is in compliance with Regulation 3(5) &3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	The Company has a Structured Digital Database in place; however, implementation of various provisions of the said Regulation is still under process.
11	<b>Actions taken by SEBI or Stock Exchanges, if any:</b>  No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	





12.	<p><b>Additional Non-compliances, if any:</b></p> <p>No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.</p>	No	<p>1. The Company did not have its entire Promoters' Shareholding in dematerialized form as on 31<sup>st</sup> March 2023.</p> <p>2. There was delay in submission of Quarterly disclosure with the Stock Exchange for the default in redemption of Non-Convertible Redeemable Preference Shares for the Quarter ended 30th June, 2022.</p> <p>3. Pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015, prior approval from shareholders through special resolution was not taken for continuation of directorship of Mr. Nilotpal Roy, Non-executive Independent Director, on attaining 75 years of age. However, the Company has obtained Shareholders' approval through postal ballot/e-voting on 18th March 2023 with effect from the date of attaining 75 years of age.</p>
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**Assumptions & Limitations of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to certify based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and books of accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.



**Signature:**

*Asit Kumar Labh*

**Place :Kolkata**  
**Dated : 26.05.2023**

**Name of the Practising Company Secretary : CS Asit Kumar Labh**  
**ACS No. : 32891**  
**CP No.:14664**  
**UIN : I2015WB1285500**  
**PRCN : 1587/2021**  
**UDIN : A032891E000376729**

