

सं.सचिव/No. Secy/906/9/10

25.05.2023

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 023 Scrip Code-532178	The National Stock Exchange of India Limited Exchange Plaza, 5th Floor Bandra Kurla Complex Bandra (East), Mumbai-400051 Symbol-ENGINEERSIN
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विषय: वार्षिक सचिवीय अनुपालन रिपोर्ट

Sub.: Annual Secretarial Compliance Report

प्रिय महोदय/महोदया,
Dear Sir/Madam,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Secretarial Compliance Report for the financial year ended on 31st March, 2023 issued by M/s VAP & Associates, Company Secretaries.

कृपया उपरोक्त आपकी जानकारी एवं रिकॉर्ड के लिए है।
The above is for your kind information & records please.

धन्यवाद/Thanking you,

भवदीय/Very truly yours,

नरेंद्र कुमार/Narendra Kumar
अनुपालन अधिकारी/Compliance officer

संलग्नक: यथोक्त/Encl: As above



**Secretarial Compliance Report of
Engineers India Limited (CIN: L74899DL1965GOI004352)
for the year ended 31st March 2023**

(Pursuant to the Regulation 24A of the SEBI LODR) Regulation, 2015 read with
(Second Amendment) Regulations, 2021 w.e.f. 05/05/2021 and
Circular No. CIR/CFD/CMD1/27/2019 Dated 8th February, 2019 issued by SEBI)

To,
Engineers India Limited ("EIL")
Engineers India Bhawan, 1,
Bhikaji Cama Place, New Delhi-110066

We, VAP & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by **Engineers India Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) 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 31st 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 there under, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Amendments thereof;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018, to the extent applicable;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereof;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendment thereof (**No such event during Audit Period**);
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**No such event during Audit Period**);
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendment thereof (**No such event during Audit Period**);
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**No such event during Audit Period**);
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment thereof;
- i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**No such event during Audit Period**);
- j) The Depositories Act, 1996 and the Regulations and Bye Laws framed there under to the extent of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- k) the Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with the client to the extent of securities issued.

And based on the above examination, we hereby report that, during the Review Period:

(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:-

Sr. 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 17(1)(b)	Half of the Board did not comprise of Independent Directors from 16.08.2022 to 11.12.2022 and from 28.12.2022 till 31.03.2023.	BSE and NSE	NSE and BSE have Levied monetary fine(s)	Non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the Quarter ended 30.09.2022 and 31.12.2022.	Rs.. 2,71,400/- each by BSE and NSE for Quarter ended 30.09.2022 and Rs. 4,54,300/- each by BSE and NSE for Quarter ended 31.12.2022.	If the listed Company does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors.	Engineers India Limited is a Government Company under the administrative control of Ministry of Petroleum & Natural Gas (MoPNG) and Directors in the Company are appointed by President of India, through the respective administrative Ministry. Thus, appointment of the Directors is neither under the purview of the Board of EIL nor the Company / its Board is empowered to appoint any Director. Hence, the appointment of the Board members is beyond its control	As per the information and explanation provided by the management, the Company has made submissions to NSE and BSE with a request to waive of the fine imposed for the Quarter ended 30.09.2022 and 31.12.2022. The Company has also made request to the administrative Ministry i.e. Ministry of Petroleum and Natural Gas to fill up the vacant position in compliance to SEBI (LODR) Regulations, 2015.

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2	SEBI (LODR) Regulations, 2015	Regulation 17 (10)	The Company has not carried out the performance evaluation of the independent directors.	No action has been taken	No action has been taken	The Company has not carried out the performance evaluation of the independent directors.	Nil	The Company has not carried out the performance evaluation of the independent directors.	EIL is a Public Sector Undertaking (Government Company) and the appointment of Directors, both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board. However, regular inputs on performance of Independent Directors are being provided to administrative Ministry as well as Department of Public Enterprises (DPE) as and when sought by them.
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action (Advisory/Clarification/Fine/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 17(1)(a) of the	The Board of Directors does not consist of an Independent Women Director from 01.04.2021 to 12.11.2021. The number of Nonexecutive Directors on the Board is less than fifty percent during	BSE and NSE	NSE and BSE have Levied monetary fine(s) for non-compliance of provisions under SEBI (LODR) Regulations, 2015 for the Quarter ended 31.03.2021, 30.06.2021, 30.09.2021 and 31.12.2021.	Regulation 17(1)	Fine imposed by NSE and BSE: For quarter 31.03.2021 Rs. 531000/- each. For quarter 30.06.2021 Rs. 536900/- each.	The Board of Directors shall comprise of at least one Independent woman director during the period from 01 st April, 2021 to 12th November, 2021. The Board of Directors shall comprise of fifty percent of non-executive directors during the period from 01 st April, 2021 to 11th November, 2021.	Since the appointment of Directors on the Board of Company are made by President of India, the Company has made submissions to NSE and BSE with a request to waive off the fine imposed as per guidelines for processing of waiver applications by the Exchanges in case of commonly listed entities.	NSE vide its letter no. NSE/LIST/SOP/0697 dated 21.09.2022 has waived of fine imposed under Regulation 17(1) for the quarter ended March 31, 2020 to December 31, 2021 as per the SEBI Standard Operating Procedure (SOP) circular dated 22.01.2020 for process of waiver of fines

			the period from 01.04.2021 to 11.11.2021.				For quarter 30.09.2021 Rs. 542800/- each.			by the Exchanges in case of commonly listed entity, NSE being designated Stock Exchange for EIL. Further, the decision taken by one exchange on waiver request will be applicable to the same waiver request received by other exchanges to maintain uniformity in decision at both Exchanges. In view of approval accorded by NSE, it is construed that the above decision is binding on BSE. Though formal communication is yet to be received.
2.	SEBI (LODR) Regulations, 2015	Regulation 17(1)(b)	The number of Independent Directors on the Board is less than fifty percent during the period from 01.04.2021 to 12.11.2021.				For quarter 31.12.2021 Rs. 253700/- each.	The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the Board Members during the period from 01 st April, 2021 to 12 th November, 2021.	MoPNG vide its letter No. CA-31033/2/2021-PNG (39069) dated 08.11.2021 has appointed Six number of Non-official Independent Directors, including Woman Independent Director, on the Board of EIL and Consequent to aforesaid appointment, EIL has optimum combination of Directors in compliance of Regulation 17 of SEBI Listing Regulations w.e.f. 17.11.2021.	
3.	SEBI (LODR) Regulations, 2015	Regulation 17(10)	The performance evaluation of independent directors has not been done by the entire Board of Directors.					The entire Board of Directors shall carry out the performance evaluation of Independent Directors.	EIL is a Public Sector Undertaking and the appointment and performance evaluation of Directors is carried out by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MoP&NG) as per laid down evaluation methodology. However, EIL has provided inputs in the prescribed format for performance evaluation of Independent Director.	
4.	SEBI (LODR) Regulations, 2015	Regulation 18 and 19	The Composition of following Committees was not complying with the statutory requirements during the period from 01.04.2021 to 29.01.2022: (a) Audit Committee	NSE and BSE	NSE and BSE have Levied monetary fine(s) for non-compliance of provisions under SEBI (LODR) Regulations, 2015 for the Quarter ended 31.03.2021, 30.06.2021,	Regulation 18 and 19	Fine imposed by NSE and BSE: For quarter 31.03.2021 Rs. 424800/- each. For quarter 30.06.2021 Rs. 429520/- each.	a) The Audit Committee shall comprise of at least 2/3 Independent director during the period from 01 st April, 2021 to 29 th January, 2022. (b) The Nomination and Remuneration Committee shall comprise of at least 50% Independent director	MoPNG vide its letter No. CA-31033/2/2021-PNG (39069) dated 08.11.2021 has appointed Six number of Non-official Independent Directors. Accordingly, Board Sub-Committees of EIL was re-constituted w.e.f. 29.01.2022 including Audit Committee and Nomination and Remuneration	NSE vide its letter no. NSE/LIST/SOP/0697 dated 21.09.2022 has waived of fine imposed under Regulation 18(1) and 19 (1)/19(2) for the quarter ended December 31, 2020 to March 31, 2022. However, waiver of fine from BSE is awaited.

			(b)Nomination and Remuneration Committee		30.09.2021 and 31.12.2021.		For quarter 30.09.2021 Rs. 434240/- each. For quarter 31.12.2021 Rs. 434240/- each.	during the period from 01 st April, 2021 to 29 th January, 2022. Due to absence of requisite number of independent directors in the Company, the composition of Audit Committee and Nomination and Remuneration Committee were not complying with the statutory requirements during the period 01.04.2021 to 29.01.2022.	Committee in terms of the provisions of SEBI (LODR) Regulations, 2015. The Company has made submissions to NSE and BSE with a request to waive off the fine imposed as per guidelines for processing of waiver applications by the Exchanges in case of commonly listed entities.	
5	SEBI (LODR) Regulations, 2015	Regulation 19 (4) read with Schedule II Part D (A)	The Nomination and Remuneration Committee has not: (a) formulated the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees; (b) formulated the criteria for evaluation of performance of Independent Directors and the Board of Directors.	-	-	-	-	Nomination Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board, all remuneration, in whatever form, payable to senior management.	EIL being a Public Sector Undertaking, the criteria of appointment, qualification and terms and conditions of remuneration of Functional Directors is determined as per DPE Guidelines. EIL is a Public Sector Undertaking, and the appointment and performance evaluation of Directors both Executive and Non-Executive are made by the Government of India. For Functional Directors, the annual performance evaluation is being done by the C&MD and Administrative Ministry (MoP&NG). However, for performance evaluation of Independent Directors inputs were provided to MoP&NG in the prescribed format by EIL.	

In Addition to the abovementioned circular the following affirmations are being provided hereunder:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	<u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	--
2.	<u>Adoption and timely updation of the Policies:</u> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI	Yes Yes	--
3.	<u>Maintenance and disclosures on Website:</u> • The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website • 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	Yes Yes Yes	--
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	As per MCA , Sub-section (2) of Section 164 shall not apply in case of Government company .
5.	<u>To examine details related to Subsidiaries of listed entities:</u> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA Yes	As per the information provided by the Company, there was no material subsidiary of the Company during the F. Y. 2022-23
6.	<u>Preservation of Documents:</u> 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.	Yes	--
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	No	As per the information and explanation provided by the Company, EIL is a Public Sector Undertaking (Government Company) and the appointment of Directors, both Executive and Non-Executive are made by the Government of India. Therefore, the Company has not laid down any criteria for performance evaluation of the Independent Directors and the Board.

8.	<u>Related Party Transactions:</u> The listed entity has obtained prior approval of Audit Committee for all Related party transactions In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes NA	Since, all Related party transactions were entered after obtaining prior approval of audit committee point (b) is not applicable
9.	<u>Disclosure of events or information:</u> 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.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	--
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions 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	NSE and BSE have Levied monetary fine(s) for Non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the Quarter ended 30.09.2022 and 31.12.2022.	The Stock Exchanges has sent notices regarding imposition of Fine and the Company has sent letter to Stock Exchanges for waiver of Fine.
12.	<u>Additional Non-compliances, if any:</u> No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	None	--

For VAP & Associates
Company Secretaries
FRN: S2014UP280200

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Parul Jain

Proprietor

M. No. F8323

CP No. 13901

UDIN: F008323E000332891

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Place: Ghaziabad

Date: 18.05.2023