

Form No. MR-3

SECRETARIAL AUDIT REPORT

[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,
Nava Bharat Energy India Limited
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nava Bharat Energy India Limited**, (hereinafter referred to as "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022 according to the provisions of:
 - (i) The Companies Act, 2013 ("the Act") (applicable sections as on date) and the rules made thereunder;
 - (ii) The Depositories Act, 1996 and the regulations and bye-laws framed by the Securities and Exchange Board of India ("SEBI") thereunder;
2. The industry specific major laws that are applicable to the Company are as follows:
 - (i) The Electricity Act, 2003;
 - (ii) The Indian Boilers Act, 1923;



- (iii) The Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010;
- (iv) The Central Electricity Authority (Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulations 2011;
- (v) The Water (Prevention and Control of Pollution) Act, 1974;
- (vi) The Air (Prevention and Control of Pollution) Act, 1981; and
- (vii) The Environment Protection Act, 1986.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the Board of Directors, and General Meetings, respectively, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

We report that, during the period under review, the Company has duly complied with the provisions of the Companies Act and other acts, as specified above, applicable to the industry of the Company.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the following changes took place in the composition of the Board of Directors:

Sl. No	Name of the Director	Appointment/ Cessation/ Reappointment	Our Comments
1	Mr. D. Ashok	Reappointment	Reappointed as a director at the AGM held on August 25, 2021 upon the retirement by rotation in accordance with the provisions of section 152(6) of the Act
2	Mr. GRK Prasad	Reappointment	Reappointed as a director at the AGM held on August 25, 2021 upon the retirement by rotation in accordance with the provisions of section 152(6) of the Act

Adequate notice was given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, the decisions were taken on unanimous consent.



We further report that:

As disclosed in our reports for the previous years, the Enforcement Directorate, Hyderabad (ED), vide its Provisional Attachment Order dated 22.07.2014, attached the Equity Shares of the Company held by its holding Company Nava Bharat Projects Limited (NBPL), to the extent of Rs.138.59 crores and the said Provisional Attachment Order was also confirmed by the Adjudicating Authority under Prevention of Money Laundering Act, 2002 vide Order dated 20.05.2015. The ED issued a letter dated 9.07.2015 to the Company as well as to NBPL directing to transfer entire 73,99,99,994 equity shares of Rs.2/- each of NBEIL held by the NBPL in favour of the ED. On an appeal filed against the said confirmation order of the Adjudicating Authority and letter dated 09.07.2015 of the ED, the Appellate Tribunal granted stay against operation of the letter dated 09.07.2015 issued by the ED seeking transfer of the shares to the ED vide Order dated 30.07.2015, except the accruals such as dividend, bonus/ right shares and other benefits on the said shares. The Appellate Tribunal has decided to hear the said application along with the main appeal, consequent to the outcome of and basing upon which, an order on the Company's application will be issued. Further, the said stay will continue till the main appeal is disposed off. Currently, the appeals are posted for hearing on August 04, 2022.

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



CS D.S. RAO; PCS

M. No: 12394

C.P. No: 14487

UDIN: A012394D000306710

PEER REVIEW CER NO. 1817/2022

Place: Hyderabad

Date: May 12, 2022

Note: This report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

To,
**The Members,
Nava Bharat Energy India Limited
Hyderabad**

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on the information/ documents and assurances received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.



[Handwritten signature]

CS D.S. RAO; PCS

M. No: 12394

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