McNally Bharat Engineering Company Limited
CIN : L45202WB1961PLC025181
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September 9, 2016

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block, Bandra - Kurla
Complex, Bandra (E), Mumbai - 400 051

Dear Sirs,

Reg: Clarification for new item appearing in September 9, 2016, issue of The Economic Times

This has reference to your letter no. NSE/CM/Surveillance/6444 dated September 9, 2016 on a news item appearing in "ET Markets", a supplement of today's edition of The Economic Times circulating in Kolkata, which is titled "McNally Bharat Defaults on Dividend Payments of Shares."

The article alleges that our Company has defaulted on dividend payments on the preference shares issued on our Company.

In this respect, we would like to clarify that our Company has not defaulted in payment of dividend "*...to investors over a year...*" as has been alleged in the said news item. The Company has paid interim dividend on cumulative non-convertible redeemable preference shares upto quarter ended December 31, 2015. The Company has already provided for the dividend for the quarter ended March 31, 2016, in its books. Since the Company is incurring losses, the same shall be paid once the accounts are approved at the forthcoming AGM of the company to be held on September 29, 2016.

Hence, the Company is of the view that disclosures under Regulation 30 of the SEBI (Listing and Disclosure Obligations) Regulations, 2015, were not required to be given by the Company.

Thanking You,
McNALLY BHARAT ENGINEERING CO. LTD.

DIBAKAR CHATTERJEE
COMPANY SECRETARY