



ಹಿಂದೂಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್
ಪ್ರಧಾನ ಕಛೇರಿ
ಹಿಂದುಸ್ತಾನ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್
ಮುಖ್ಯಾಲಯ
HINDUSTAN AERONAUTICS LIMITED
CORPORATE OFFICE

CO/SEC/4(7)/2023-24/ BSE & NSE Filing/21

25th May, 2023

BSE Limited Listing Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd Listing Department Exchange Plaza, 5 th Floor, Plot No C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
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Dear Sir/ Madam,

**Sub: Annual Secretarial Compliance Report for the year ended
31st March, 2023**

Ref: BSE Scrip Code: 541154, NSE Symbol: HAL

Pursuant to Regulation 24A (2) of SEBI (LODR) Regulations, 2015, please find enclosed herewith the Annual Secretarial Compliance Report for the year ended 31st March, 2023.

2. This is for your information and record, please.

Thanking you,

Yours Faithfully
For Hindustan Aeronautics Ltd

(Shailesh Bansal)
Company Secretary & Compliance Officer

15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ, 15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ

15/1, Cubbon Road, Bangalore - 560 001, Karnataka, India

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CIN: L35301KA1963GOI001622

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DPSP & ASSOCIATES

Company Secretaries

SECRETARIAL COMPLIANCE REPORT
OF M/S. HINDUSTAN AERONAUTICS LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **HINDUSTAN AERONAUTICS LIMITED (herein after referred to as 'the listed entity')**, having its Registered Office at **15/1, Cubbon Road, Post Box No.5150 Bangalore 560001**. Secretarial Review 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 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, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on **March 31, 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:

No. 323, 1st Floor, 3rd stage, 3rd Block, 2nd 'G' Cross, Basaveshwara Nagar, Bangalore – 560 079.

Mob : 8123904145. E-mail : cs.dakshayani@gmail.com, abhilash@dpspcs.com / Website : www.dpspcs.com



We, DPSP and Associates, Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by **HINDUSTAN AERONAUTICS LIMITED** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **March 31, 2023** ("Review Period") in respect of compliance with the provisions of:
 - i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - ii. 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable**;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable**;
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable**;
 - (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 - **Not Applicable**;
 - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- and circulars/ guidelines issued thereunder;

and based on the above examination, we 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 the matters specified below:

Sr No.	Compliance Requirement (Regulations/Circulars/Guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of PCS	Management Response	Remarks
1.	Regulation 17 (1)(a) and (1) (b) of SEBI LODR Regulations, 2015 – 17 (1) The composition of board of directors of the listed entity shall be as follows: (a) The Board of directors of a listed entity shall have an optimum combination of executive and non-executive directors with at least one	17 (1) (a) and 17 (1) (b)	Provisions pertaining to Board Composition were not compliant w.r.t the following: (a) Half of the board was not Non-executive during the period from 01.04.2022 to 27.04.2022	NSE & BSE	Fine	17 (1) (a) and (1)(b) of SEBI LODR Regulations, 2015	From Quarter ended 30 th June 2022 to 31 st March 2023 (Rs. 43,07,000)	Requisite number of Independent Directors are yet to be appointed.	Since, the appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Ministry of the Government of India, multiple requests/ reminders were made/sent by the Company to Ministry of Defence (MoD) for filling the vacant posts of Independent Directors in the Company, within the stipulated time, referring penal provisions both under the Companies Act, 2013 and SEBI Regulations. However, even after continuous follow up on the matter with MoD and DPE, during the year	-



<p>woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors;</p> <p>Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019.</p> <p>(b) Where the chairperson of the Board of Directors of a listed entity is a non-executive director, at least one-third of the board of directors shall comprise of independent</p>	<p>and from 10.06.2022 to 30.06.2022</p> <p>(b) Half of the Board was not Independent – For whole year</p>	<p>under review, only one independent director was appointed in the Company by the Government against the vacant posts of 6 Independent Directors. As on date, the Company has 5 vacant posts of Independent Directors.</p> <p>Since, the matter is beyond the control of the Company, application for waiver of fines was made to the Stock Exchanges. However, in response, it was advised by the Stock Exchanges to apply for the same after compliance.</p>
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	directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.									
2.	<p>Regulation 18(1)(a) and (1)(b) of SEBI (LODR) Regulations, 2015-</p> <p>18 (1) Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:</p>	18(1), (1)(a) and (1) (b)	Provisions pertaining to constitution of Audit Committee were not compliant till 3 rd May 2022	NSE & BSE	Fine	18((1) of SEBI LODR Regulations, 2015	For the Quarter ended 30 th June 2022 (Rs. 1,55,760)	No validly constituted Audit Committee till 3 rd May, 2022.	On appointment of requisite number of Independent Directors, constitution of the Committee was regularized w.e.f. 4 th May, 2022. Subsequently, being matter beyond the control of the Company, on filing application, waiver of fines against the said non-compliance was granted by the NSE (being designated stock exchange for the purpose) on 9 th December, 2022.	-



	(a) The audit committee shall have minimum three directors as members. (b) Two-thirds of the members of audit committee shall be independent directors.									
3.	Regulation 19(1)(a), 19(1)(b) and 19(1)(c) of SEBI (LODR) Regulations, 2015- 19(1) The board of directors shall constitute the nomination and remuneration committee as follows: (a) the committee shall comprise of at least three directors;	19(1), (1)(a) and (1) (b)	Provisions pertaining to constitution of Nomination and Remuneration committee were not compliant till 3 rd May 2022.	NSE & BSE	Fine	19((1) of SEBI LODR Regulations, 2015	For the Quarter ended 30 th June 2022 (Rs. 1,55,760)	No validly constituted Nomination & Remuneration Committee till 3 rd May, 2022.	On appointment of requisite number of Independent Directors, constitution of the Committee was regularized w.e.f. 4 th May, 2022. Subsequently, being matter beyond the control of the Company, on filing application, waiver of fines against the said non-compliance was granted by the NSE (being designated stock exchange for the purpose) on 9 th December, 2022.	-



	(b) all directors of the committee shall be non-executive directors; and (c) at least two-third of the directors shall be independent directors.								
4.	The listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website: Provided further that the listed entity shall make such disclosures every six months within fifteen days from the	Regulation 23 (9) of SEBI (LODR) Regulations, 2015	Non-submission of Report in a timely manner	NSE & BSE	fine	Regulation 23 (9) of SEBI (LODR) Regulations, 2015	Rs. 23,600/-	Fine was imposed upon the Company by considering the date of submission of Report in PDF mode, irrespective of the fact that the same shall be required to be submitted in XBRL mode only, for which XBRL Utility was not provided by	As per the Regulation 23(9) of the SEBI (LODR) Regulations, 2015 effective from 1 st April, 2022 read with BSE Notice No. 20210906-31 & NSE Circular No. NSE/CML/2021/34 dated 6 th September, 2021 and BSE Notice No. 2011019-25 and NSE Circular No. NSE/CML/2021/42 dated 19 th October, 2021, the Company is required to submit a report on Related Party Transactions every six months within 15 days from the date of publication of its standalone and consolidated financial results, in XBRL mode only. Since, the XBRL Utility as per the new format was not made available by both NSE and BSE



<p>date of publication of its standalone and consolidated financial results.</p>							<p>the Stock Exchanges in a timely manner.</p>	<p>for filing within the prescribed period of 15 days after the publication of Company's Financial Results, the same could not be filed by the Company within the said period. However, by following better governance practice, as a precautionary measure, the same was filed in PDF mode on 1st June, 2022. However, NSE & BSE considered the submission of the Report in PDF mode as delay in filing and imposed a fine of Rs. 11,800/- each, without considering the fact that the same shall require to be submitted in XBRL mode only for compliance.</p> <p>Subsequently, on release of XBRL Utility by the Stock Exchanges on 12th July, 2022, the Report was again filed in XBRL mode within the prescribed due date extended for the purpose.</p> <p>Since, there was no delay on the part of the Company in filing the</p>
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									<p>Report in XBRL mode and since no instructions were passed for filing the Report in PDF mode, waiver application was filed with NSE (being designated stock exchange for the purpose) on 25th July, 2022 which was rejected by NSE on 13th February, 2022. Thereafter, the matter was discussed with SEBI Officials and again a review application was filed with NSE against rejection on 20th February, 2023, the reply of which is still awaited.</p>
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(b) The listed entity has taken 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	Details of Violation	Fine Amount	Observations/Remarks of PCS	Management Response	Remarks
1	Regulation 17 (1), (1) (a), (b), (2A) of SEBI LODR Regulations, 2015 – 17 (1) The composition of board of directors of the listed entity shall be as follows: 17 (1) (a) The Board of directors of a listed entity shall have an optimum combination of executive and non-executive directors	Regulation 17 (1), (1) (a), (b), (2A) of SEBI LODR Regulations, 2015	Provisions pertaining to Board Composition were not compliant w.r.t the following: (a) Half of the Board is not Independent (b) Half of the board is not Non-executive (c) No Woman	NSE & BSE	Fine	17 (1), (1) (a), (b), (2A) of SEBI LODR Regulations, 2015	17 (1) – F.Y – 2020-21- From Quarter ended 31 st December 2020 to 31 st March 2021 (Rs. 21,47,600) F.Y – 2021-22 from Quarter ended 30 th June 2021	On the matter, it was explained by the Company that, on completion of tenure by all the seven Independent Directors by 23 rd July, 2021, the Company did not have any Independent Director on its Board till 27 th December, 2021. Since, the	17(1) – Since, the appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Ministry of the Government of India, multiple requests/ reminders were made/sent by the Company to the Ministry of Defence	Appointment of remaining 5 Independent Directors are yet to be made in the Company.



with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors;	Independent Director on the Board till 27 th December 2021	to March 2022 (Rs. 43,07,000)	appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Ministry of the Government of India, multiple requests/ reminders were made/sent by the Ministry of Defence (MoD) for filling the vacant posts of Independent Directors in the Company, within the stipulated time, referring penal provisions both under the
Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019.	(d) The required quorum was not present in the Board meetings conducted after 23 rd July 2021 till 27 th December 2021, due to absence of Independent Director(s) in the	17 (2A) From Quarter ended 30 th September 2021 to 31 st December 2021 (Rs.1,41,600)	Company, within the stipulated time, referring penal provisions both under the Companies Act, 2013 and SEBI Regulations. However, even after continuous follow up on the matter with MoD and DPE, during the year 2022-23, only one more independent director was appointed in the Company. Since, the matter is beyond the control of the Company,
17 (1) (b) Where the chairperson of the Board of Directors of a listed entity is a non-executive director, at least one-third of the board of directors shall comprise of			



<p>independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.</p>	<p>Company.</p>	<p>Companies Act, 2013 and SEBI Regulations. However, even after continuous follow up on the matter with MoD and DPE, during the year under review, only one Woman Independent Director was appointed in the Company by the Government on 28th December, 2021.</p> <p>After her appointment, requirement of having atleast one Woman Independent Director and</p>	<p>application for waiver of fines was made to the Stock Exchanges. . As on date, the Company has 5 vacant posts of Independent Directors. However, in response, it was advised by the Stock Exchanges to apply for the same after compliance.</p> <p>17(2A) – Complied w.e.f. 28th December, 2021. Subsequently, being matter beyond the control of the Company, on filing application, waiver of fines against the said non-compliance was granted by the</p>
<p>17 (2A) The quorum for every meeting of the board of directors of the top 1000 listed entities with effect from April 1, 2019 and of the top 2000 listed entities with effect from April 1, 2020 shall be one-third of its total strength or three directors, whichever is higher,</p>			



	including at least one							presence of at least one independent director in the meetings of the Board as part of the quorum was regularized.	NSE (being designated stock exchange for the purpose) on 9 th December, 2022.
2	Regulation 18(1), (1)(a), (b),(d), (2) (a) of SEBI (LODR) Regulations, 2015- 18 (1) Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:	Regulation 18(1),(1)(a), (b),(d), (2) (a) of SEBI (LODR) Regulations, 2015	Provisions pertaining to Audit Committee were not compliant w.r.t the following: a. After vacation of the post of Independent Director(s) by Rear Admiral K C Shekar	NSE/BS E	Fine	Regulation 18(1),(1)(a), (b),(d), (2) (a) of SEBI (LODR) Regulations, 2015	18 (1) – From Quarter ended 31 st December 2021 to 31 st March, 2022 (Rs.7,55,200)	On the matter, it was explained by the Company that, as per SEBI (LODR) Regulations, Minimum 3 Directors are required as members, and at least 2/3rd of the member shall be Independent Directors. Since as on 31 st March, 2022, Company is	On appointment of requisite number of Independent Directors, constitution of the Committee was regularized w.e.f. 4 th May, 2022. Subsequently, being matter beyond the control of the Company, on filing application, waiver of fines against the said non-compliance was



<p>18 (1) (a) The audit committee shall have minimum three directors as members.</p> <p>18 (1) (b) Two-thirds of the members of audit committee shall be independent directors.</p> <p>18 (1) (d) The chairperson of the audit committee shall be an independent director and he shall be present at Annual general meeting to answer shareholder queries.</p> <p>18 (2) (a) The audit committee shall meet at least four times in a year and</p>	<p>(Retd.) and Dr. S Malla Reddy, w.e.f. 24/07/2021, there was no properly constituted Committee.</p> <p>b. Only two Audit Committee meetings held during the financial year under review</p> <p>c. Gap between the meetings held on 26/02/2021 and</p>	<p>having only one Independent Director, the Committee could not be reconstituted and Meetings of the Committee could not be held. However, on appointment of Shri Deepak Abasaheb Shinde as Independent Director by the Government on 28th April, 2022, Company has regularized the composition of Audit Committee w.e.f. 4th May, 2022.</p> <p>With regard to conduct of Audit</p>	<p>granted by the NSE (being designated stock exchange for the purpose) on 9th December, 2022.</p>
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not more than one hundred and twenty (120) days shall elapse between two meetings	28/06/2021, was 121 days	Committee meeting beyond the prescribed gap of 120 days, it was explained that, as the working of the Company was severely affected due to long Covid-19 Pandemic lockdown, the meeting could be conducted with a marginal delay of one day keeping in view the extension granted by MCA vide its circular date 3 rd May, 2021, for holding such meetings from 120 days to 180 days. The matter was suitably
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								explained to the Stock Exchanges.		
3	<p>Regulation 19(1) (2) (2A) & (3A) of SEBI (LODR) Regulations, 2015-</p> <p>19(1) The board of directors shall constitute the nomination and remuneration committee as follows:</p> <p>19 (1)(a) the committee shall comprise of at least three directors;</p> <p>(b) all directors of the committee shall be non-executive directors; and</p>	<p>Regulation 19(1) (2) (2A) & (3A) of SEBI (LODR) Regulations, 2015</p>	<p>Provisions pertaining to Nomination and Remuneration committee were not compliant w.r.t the following:</p> <p>After vacation of the post of Independent Director(s) by Rear Admiral K C Shekar (Retd.) and Dr. S Malla Reddy, w.e.f. 24/07/2021, there was no</p>	NSE/BS E	Fine	<p>Regulation 19(1) (2) (2A) & (3A) of SEBI (LODR) Regulations, 2015</p>	<p>19 (1)/ 19 (2A) – From Quarter ended 31st December 2021 to 31st March, 2022 (Rs.7,55,200)</p>	<p>On the matter, it was explained by the Company that, as per SEBI (LODR) Regulations, Minimum 3 non-executive directors are required as members, and at least 2/3rd of the member shall be Independent Directors. Since as on 31st March, 2022, Company had only one Independent Director, the</p>	<p>On appointment of requisite number of Independent Directors, constitution of the Committee was regularized w.e.f. 4th May, 2022. Subsequently, being matter beyond the control of the Company, on filing application, waiver of fines against the said non-compliance was granted by the NSE (being designated stock exchange for the</p>	-



<p>(c) at least two-third of the directors shall be independent directors</p> <p>19 (2)The Chairperson of the nomination and remuneration committee shall be an independent director</p> <p>Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.</p>	<p>properly constituted Committee.</p>	<p>Committee could not be reconstituted and Meetings of the Committee could not be held. However, on appointment of Shri Deepak Abasaheb Shinde as Independent Director by the Government on 28th April, 2022, Company has regularized the composition of Nomination & Remuneration Committee w.e.f. 4th May, 2022.</p>	<p>purpose) on 9th December, 2022.</p>
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<p>19 (2A) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance</p>									
<p>19 (3A) The nomination and remuneration committee shall meet at least once in a year</p>									



4	<p>Regulation 20 (2) (2A) of SEBI (LODR) Regulations, 2015-20(2)-The chairperson of the Stakeholders Relationship Committee shall be a non-executive director.</p> <p>20 (2A) At least three directors, with at least one being an independent director, shall be members of the Committee.</p>	<p>Regulation 20 (2) (2A) of SEBI (LODR) Regulations, 2015</p>	<p>Provisions pertaining to Stakeholders Relationship Committee were not compliant w.r.t the following: After vacation of the post of Independent Director(s) by Dr. S Malla Reddy, w.e.f. 24/07/2021, there was no properly constituted Committee. However, the Committee was reconstituted on 10th February, 2022 on</p>		<p>Regulation 20 (2) (2A) of SEBI (LODR) Regulations, 2015</p>	<p>20 (2) (2A) – From Quarter ended 31st December 2021 to 31st March, 2022 (Rs.5,19,200)</p>	<p>On the matter, the Company has informed that, since at least one Independent Director is required in the Committee, the Committee could not be Reconstituted. However, after appointment of Dr. Divya Gupta as Woman Independent Director, the constitution of the Committee was regularized on 10th February, 2022.</p>	<p>After regularization of the Constitution of the Committee, being matter beyond the control of the Company, on filing application, waiver of fines against the said non-compliance was granted by the NSE (being designated stock exchange for the purpose) on 9th December, 2022.</p>	
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			appointment of Dr. Divya Gupta, as Woman Independent Director in the Company.							
5	Regulation 21 (2) (3) (3A) (3B) (3C) of SEBI (LODR) Regulations, 2015 21 (2) The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director. 21 (3) The Chairperson of the Risk management	Regulation 21 (2) (3) (3A) (3B) (3C) of SEBI (LODR) Regulations, 2015	Provisions pertaining to Risk Management Committee were not compliant w.r.t the following: a. After vacation of the post of Independent Director(s) by Rear Admiral K C Shekar (Retd.) and	NSE/BS E	Fine	Regulation 21 (2) (3) (3A) (3B) (3C) of SEBI (LODR) Regulations, 2015	21 (2) – From Quarter ended 31 st December 2021 to 31 st March, 2022 (Rs.5,19,200)	On the matter, the Company has informed that, since at least one Independent Director is required in the Committee, the Committee could not be Reconstituted. However, after appointment of Dr. Divya Gupta as Woman Independent Director, the constitution of the Committee	After regularization of the Constitution of the Committee, being matter beyond the control of the Company, on filing application, waiver of fines against the said non-compliance was granted by the NSE (being designated stock exchange for the purpose) on 9 th December, 2022.	



<p>committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee.</p>	<p>Dr. S Malla Reddy, w.e.f.</p>	<p>was regularized on 10th February, 2022.</p>
<p>21 (3A) The risk management committee shall meet at least twice in a year.</p>	<p>24/07/2021, there was no properly constituted Committee . However, the</p>	<p>Since there was no properly constituted Committee from 24th July, 2021 to 9th February, 2022, only one meeting of the</p>
<p>21 (3B) The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance</p>	<p>Committee was reconstituted on 10th February, 2022 on appointment of Dr. Divya Gupta, as Woman Independent Director in the Company.</p>	<p>Committee was conducted on 24th March, 2022 after reconstitution.</p>



	21 (3C) The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.		Risk management committee has met only once .							
6	Regulation 23 (2) of SEBI (LODR) Regulations, 2015 All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity	Regulation 23 (2) of SEBI (LODR) Regulations, 2015	Provisions pertaining to related party transactions were not compliant after 23/07/2021 w.r.t the following: Related Party Transactions were directly	-	-	-	-	On the matter, the Company has informed that, since there was no validly constituted Audit Committee as on 31 st March, 2022, all related party transactions and subsequent material modifications	All the deviation with respect to Audit Committee were regularized after reconstitution of the Committee w.e.f. 4 th May, 2022.	-



<p>Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.</p>	<p>approved in the Board Meetings where there were no independent directors and no quorum as per SEBI Regulations.</p>	<p>were put up to Board.</p>	<p>With regard to transactions approved in the board meetings conducted without presence of at least one independent director, it was explained that, since the requirement of quorum has been complied by the Company as per the provisions of the Companies Act, 2013, which does not mandate the presence of independent director in the board meeting for</p>
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									the purpose of counting quorum, no notice was received from BSE and NSE on validity of the transactions approved in such board meetings.		
7	Regulation 25 (6) of SEBI (LODR) Regulations, 2015 An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than three months from the date of such vacancy:	Regulation 25 (6) of SEBI (LODR) Regulations, 2015	Provisions pertaining to independent directors were not compliant w.r.t the following: As on 31 st March 2022, posts of 6 independent Directors lying vacant which were not filled within 3 months from the date of	-	-	-	-	-	On the matter, the Company has informed that, Since, the appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Ministry of the Government of India, multiple requests/ reminders were	Factual	-



<p>Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.</p>		<p>such vacancies.</p>					<p>made/sent by the Company to Ministry of Defence (MoD) for filling the vacant posts of Independent Directors in the Company, within the stipulated time, referring penal provisions both under the Companies Act, 2013 and SEBI Regulations. However, even after continuous follow up on the matter with MoD and DPE, during the year under review, only one Woman Independent Director was</p>		
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								appointed in the Company by the Government on 28 th December, 2021, after a prescribed gap of 3 months.		
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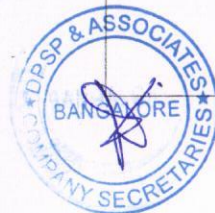
Note: The particulars of fines specified in table (a) and (b) above are as per Annexure 1 to this Report

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.	Compliances with the following conditions while appointing/re-appointing an auditor		
	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	NA	The Statutory Auditors have not resigned from the position during the period under review from the listed entity or material subsidiaries.
	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		
	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.		
2.	Other conditions relating to resignation of statutory auditor		
	<p>Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as</p>	NA	The Statutory Auditors have not resigned from the position during the period under review from the listed entity or material subsidiaries and hence the reporting of concerns do not arise.



	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.	NA	The Statutory Auditors have not resigned from the position during the period under review from the listed entity or material subsidiaries.

III. We 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.	Secretarial Standards: 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.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity • All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated on time, as per the Regulations/ circulars/ Guidelines issued by SEBI 	Yes	



3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> • 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 redirects to the relevant document(s)/ section of the website 	Yes	
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes	
6.	Preservation of Documents: 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.	Performance Evaluation: 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.	Yes	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently	Yes	



	approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained		
9.	Disclosure of events or information: 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.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: 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 except as provided under separate paragraph herein (**).	No	The actions taken by the stock exchanges and waivers provided by NSE (Designated Stock Exchange) are as per the details provided in Annexure-I
12.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.	Yes	



Assumptions & Limitation 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. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We 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.

Place: Bangalore

Date: 24th May 2023



Signature:

Dakshayani

Dakshayani P

Partner

DPSP and Associates

Company Secretaries

FCS No.: 8993

C P No.: 8411

UDIN: F008993E000369089

Annexure – 1

Particulars of Fines imposed on the Company

Regulation No.	Fine (Amount in Rs.)	Fine Imposed By (NSE/BSE)	Period for which the fine is imposed for	Waiver received Date
As per table (a)				
17(1)	536900	BSE	Quarter ended 30.06.2022	As advised by NSE, the Company will apply for waiver only after compliance.
17(1)	536900	NSE	Quarter ended 30.06.2022	
17(1)	542800	BSE	Quarter ended 30.09.2022	
17(1)	542800	NSE	Quarter ended 30.09.2022	
17(1)	542800	BSE	Quarter ended 31.12.2022	
17(1)	542800	NSE	Quarter ended 31.12.2022	
17(1)	531000	BSE	Quarter ended 31.03.2023	
17(1)	531000	NSE	Quarter ended 31.03.2023	
18(1)	77880	BSE	Quarter ended 30.06.2022	09.12.2022
18(1)	77880	NSE	Quarter ended 30.06.2022	09.12.2022
19(1) / 19(2)	77880	BSE	Quarter ended 30.06.2022	09.12.2022
19(1) / 19(2)	77880	NSE	Quarter ended 30.06.2022	09.12.2022
23(9)	11800	BSE	For the half year ended 31.03.2022	awaited
23(9)	11800	NSE	For the half year ended 31.03.2022	Awaited



As per table (b)

17(1)	542800	BSE	Quarter ended 31.12.2020	As advised by NSE, the Company will apply for waiver only after compliance.	
17(1)	542800	NSE	Quarter ended 31.12.2020		
17(1)	531000	BSE	Quarter ended 31.03.2021		
17(1)	531000	NSE	Quarter ended 31.03.2021		
17(1)	536900	BSE	Quarter ended 30.06.2021		
17(1)	536900	NSE	Quarter ended 30.06.2021		
17(1)	542800	BSE	Quarter ended 30.09.2021		
17(1)	542800	NSE	Quarter ended 30.09.2021		
17(1)	542800	BSE	Quarter ended 31.12.2021		
17(1)	542800	NSE	Quarter ended 31.12.2021		
17(1)	531000	BSE	Quarter ended 31.03.2022		
17(1)	531000	NSE	Quarter ended 31.03.2022		
17(2A)	47200	BSE	Quarter ended 30.09.2021		09.12.2022
17(2A)	47200	NSE	Quarter ended 30.09.2021		09.12.2022
17(2A)	23600	BSE	Quarter ended 31.12.2021	09.12.2022	
17(2A)	23600	NSE	Quarter ended 31.12.2021	09.12.2022	
18(1)	165200	BSE	Quarter ended 31.12.2021	09.12.2022	
18(1)	165200	NSE	Quarter ended 31.12.2021	09.12.2022	
18(1)	212400	BSE	Quarter ended 31.03.2022	09.12.2022	
18(1)	212400	NSE	Quarter ended 31.03.2022	09.12.2022	
19(1) / 19(2)	165200	BSE	Quarter ended 31.12.2021	09.12.2022	
19(1) / 19(2)	165200	NSE	Quarter ended 31.12.2021	09.12.2022	
19(1) / 19(2)	212400	BSE	Quarter ended 31.03.2022	09.12.2022	
19(1) / 19(2)	212400	NSE	Quarter ended 31.03.2022	09.12.2022	



20(2) / 20(2A)	165200	BSE	Quarter ended 31.12.2021	09.12.2022
20(2) / 20(2A)	165200	NSE	Quarter ended 31.12.2021	09.12.2022
20(2) / 20(2A)	94400	BSE	Quarter ended 31.03.2022	09.12.2022
20(2) / 20(2A)	94400	NSE	Quarter ended 31.03.2022	09.12.2022
21(2)	165200	BSE	Quarter ended 31.12.2021	09.12.2022
21(2)	165200	NSE	Quarter ended 31.12.2021	09.12.2022
21(2)	94400	BSE	Quarter ended 31.03.2022	09.12.2022
21(2)	94400	NSE	Quarter ended 31.03.2022	09.12.2022

Note: Waiver is not yet granted by Stock Exchanges for the fine of an amount of Rs. 1,07,61,600 levied for non-compliances under Regulation 17(1) and an amount of Rs. 23,600 levied for non-compliances under Regulation 23(9).

Place: Bangalore

Date: 24th May 2023



Signature:

Dakshayani P

Dakshayani P

Partner

DPSP and Associates

Company Secretaries

FCS No.: 8993

C P No.: 8411

UDIN: F008993E000369089