



भारत हेवी इलेक्ट्रिकल्स लिमिटेड
Bharat Heavy Electricals Limited

No. AA/SCY/SE/22

Date: May 17, 2022

BSE Limited

P.J. Towers, Dalal Street Fort,
MUMBAI – 400001

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex, Bandra (East)
MUMBAI – 400051

Dear Sirs,

Sub: Secretarial Compliance Report for FY 2021-22

Pursuant to Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 read with Circular no. CIR/CFD/CMD1/27/2019 dated 08.02.2019, please find enclosed the Annual Secretarial Compliance Report in respect of BHEL for the financial year ended 31.03.2022 received from M/s Agarwal S. & Associates, Practicing Company Secretaries.

This is for your information and record.

Thanking you,

Yours faithfully,

(Rajeev Kalra)
Company Secretary
shareholderquery@bhel.in

Encl: As above



**SECRETARIAL COMPLIANCE REPORT OF
Bharat Heavy Electricals Limited
FOR THE YEAR ENDED 31st MARCH, 2022**

We, Agarwal S. & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **Bharat Heavy Electricals Limited** ("the listed entity" or "BHEL"),
- (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 31st March, 2022 ("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) Regulation, 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;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

and circulars/ guidelines issued thereunder;

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)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17 (1) (a) & (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Company did not have requisite number of independent directors (including at least one independent Woman director) on its Board during the period from 01.04.2021 to 08.11.2021.	BHEL, being a Government Company, the independent directors are selected by the Administrative Ministry viz., Ministry of Heavy Industries (MHI) in consultation with the Search Committee of the Department of Public Enterprises. The Company is in constant communication with MHI for appointment of requisite number of independent directors (including at least one independent woman director) on its Board. Pursuant to appointment of three independent directors (including one independent woman director), the Company is in compliance with the provisions of the Regulations w.e.f. 09.11.2021.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar, as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:



Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.	Each Stock Exchange imposed a fine of Rs. 5000/- per day during the period from 01.04.2021 to 08.11.2021.	<p>The Company periodically followed up with the Government of India for appointment of requisite number of independent directors (including at least one independent woman director) on the Board. Pursuant to appointment of three independent directors (including one independent woman director), the Company has complied with the provisions of the Regulations w.e.f. 09.11.2021.</p> <p>The listed entity had also clarified to BSE and NSE that the shortfall of independent directors was not due to any negligence/default of the Company, as their appointment is not within its control and accordingly, had requested them to waive-off the fine under their carve-out policies. Pursuant to above submissions, BSE vide mails dated 24.09.2020 and 19.04.2021 has communicated that BHEL's request for waiver of the fines levied for the quarters upto 31.12.2020, has been approved.</p>



(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company did not have requisite number of independent directors (including at least one independent woman director) on its Board	The Company periodically followed up with the Government of India for appointment of requisite number of independent directors (including at least one independent woman director) on the Board. Pursuant to appointment of three independent directors (including one independent woman director), the Company has complied with the provisions of the Regulations w.e.f. 09.11.2021.	As informed by the Management, BHEL is a Government Company and appointment/nomination of all Directors on the Board of the Company is done by the Administrative Ministry viz., Ministry of Heavy Industries (MHI), in consultation with the Search Committee for the Department of Public Enterprises. Pursuant to appointment of three independent directors (including one independent woman director), the Company has complied with the provisions of the Regulations w.e.f. 09.11.2021.

(e) With regard to para 6(A) and 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019 dated 18.10.2019, all the Branch/Statutory Auditors for FY 2021-22 have been appointed in the listed entity by the C&AG office. Further, though for them the C&AG is the appointing authority, there is no case of resignation by any of these Auditors appointed by C&AG.

For **Agarwal S. & Associates,**
 Company Secretaries,
 ICSI Unique Code: P2003DE049100
 Peer Review Cert. No.: 626/2019


Ajay Kumar Choudhary
 Partner
 ACS No. :51674
 C.P No. :21297
 UDIN: A051674D000332504

Date: 17.05.2022
Place: New Delhi