



भारत हेवी इलेक्ट्रिकल्स लिमिटेड
Bharat Heavy Electricals Limited
(भारत सरकार का उपक्रम / A Government of India Undertaking)
CIN: L74899DL1964GOI004281

No. AA/SCY/SE/24

Date: May 15, 2024

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 2023-24

Pursuant to Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, please find enclosed the Annual Secretarial Compliance Report in respect of BHEL for the financial year ended 31.03.2024 received from M/s Akhil Rohatgi & Co., Practicing Company Secretaries.

This is for your information and record.

Thanking you,
Yours faithfully,

(Rajeev Kalra)
Company Secretary
shareholderquery@bhel.in

Encl: As above

(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 clauses)	Regulation Name/ SEBI Circular number	Deviations	Actions taken by	Type of Action (Advisory/Clarification/Fine/Show Cause Notice/Warning, etc.)	Details of violation	Fine Amount	Observations of the practicing Company secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Comments of the practicing company secretary on the actions taken by the listed entity	Remedial actions, if any, taken by the listed entity	Management Response	Remarks
1	Optimum combination of executive and non-executive directors with requisite number of Independent Directors	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015	The Company did not have requisite number of independent directors on its Board during the period from 30.05.2022 to 31.03.2023.	BSE Limited (BSE) and National Stock Exchange of India (NSE)	Each Stock Exchange imposed a fine of Rs. 5000/- per day for the period of 32 days for the quarter ended 30.09.2022 and for the period of 92 days for the quarter ended 31.12.2022	The Company did not have requisite number of independent directors on its Board during the period from 30.05.2022 to 31.03.2023	Each Stock Exchange imposed fine of Rs. 1,88,800 for the quarter ended 30.09.2022 and fine of Rs. 5,42,800 for the quarter ended 31.12.2022	The Company has filed their replies to BSE & NSE dated 25.11.2022 and 07.03.2023 for the quarters ended 30.09.2022 and 31.12.2022 respectively seeking waiver of fine under their carve-out policies	31.03.2023	As informed by the Management, BHEL being a Government Company, the appointment/nomination of all directors including independent directors is done by the Government of India. The Company is in constant communication with Government of India for appointment of requisite number of independent directors on its Board in order to comply with the provisions of the SEBI Listing Regulations.	BHEL is in constant communication with the Government of India requesting for appointment of requisite number of independent directors. The matter of filling up of these vacancies is under process at the end of Government of India.	BHEL being a Government Company, the power to appoint directors, including independent directors, lies with the Government of India by following the laid down guidelines including approval of the Appointments Committee of Cabinet. Further, BHEL has been in constant communication with the Government of India requesting for appointment of requisite number of independent	As already stated in table (a) above, in our opinion, the non-compliance with regard to the composition of the Board by BHEL due to non-appointment of sufficient number of independent directors is not due to any negligence/default by BHEL as the same is not under its control. Nevertheless, BHEL has been regularly submitting letters requesting for appointment of requisite

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7.	<p><u>Performance of 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</p>	Yes	<p>The Company has stated that the Directors of the Company are appointed/ nominated by the Government of India and the performance evaluation is also done by Government of India, being appointing authority. In this regard, as per Ministry of Corporate Affairs' (MCA) notification dated 05.06.2015, Government Companies are exempted from complying with the provisions with respect to performance evaluation of the Board and its Committees, in case performance evaluation of Directors is done by the Ministry or Department of the Central Government, which is administratively in charge of the Company, as per its own evaluation methodology. Further, MCA notification dated 05.07.2017 also prescribes that the provisions relating to review of performance of Independent Directors and evaluation mechanism prescribed in Schedule IV of the Companies Act, 2013, is not applicable to Government Companies.</p>
8.	<p><u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p>	Yes	None

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	(b) 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	NA	Not applicable in view of 8 (a) above
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 the LODR Regulations within the time limits prescribed thereunder	Yes	None
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None
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	Yes	Mentioned in table (a) above.
12.	<u>Resignation of statutory auditors from the listed entity or its material subsidiaries</u> In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/ or its material subsidiary(ies) has/ have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities	Yes	Being a Government Company, appointment of Statutory/ Branch Auditors of the Company has been done by the office of the Comptroller and Auditor General of India (C&AG). The appointment letter also contains terms of appointment of the Auditors. Since, terms of appointment were communicated by the C&AG, compliance by the listed entity with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations is not applicable. Further, there is no case of resignation by any of these Auditors appointed by

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			C&AG. The Company did not have any subsidiary during FY 2023-24.
13.	<u>No additional non-compliances observed:</u> No additional non-compliance observed for any of the SEBI regulation/ circular/ guidance note etc. except as reported above	Yes	None

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 report based upon our examination of relevant documents and information.
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.

**For Akhil Rohatgi & Co.
Company Secretaries**

AKHIL ROHATGI

CS Akhil Rohatgi
FCS: 1600, COP:2317
ICSI Unique Regn Code No: P1995DE072900
Peer Review No. 1152/2021
UDIN No: F001600F000375930

Place: New Delhi
Date: 15.05.2024