

**Secretarial Compliance Report of BHARAT ELECTRONICS LIMITED for  
the year ended 31<sup>st</sup> March 2021**

**(SEBI:CIR/CFD/CMD1/27/2019 dated 08.02.2019)**

We have examined:

- (a) all the documents and records made available to us and explanation provided by **Bharat Electronics 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 31<sup>st</sup> March 2021 ("Review Period") in respect of compliance with the provisions of:

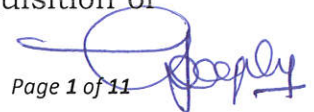
- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities 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) Regulations, 2015; (Hereinafter referred as "the SEBI- LODR")
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable there were no instances of issue of securities during the review period.**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable there were no instances of buy back of shares during the review period.**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable there were no instances of issue of any share based employee benefits during the review period.**

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the listed entity has not issued any Debt securities.**

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable as the listed entity has not issued any Preference shares.**

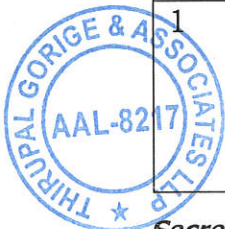
(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018:

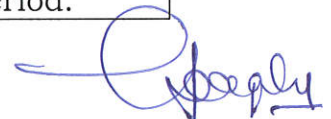
and based on the above examination, we hereby report that, during the review period:

(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) of the SEBI-LODR - Composition of Board	Non-appointment of adequate number of Independent	During the review period, the listed entity is yet to appoint the adequate number of Independent Directors including on



Sr. No.	Compliance Requirement (Regulations/ circulars /guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
		Directors including one Woman Independent Director. The deviations continued for all quarters.	woman Independent director as per the requirements of the SEBI-LODR.  NSE & BSE have imposed fine for the same for all the four quarters.
2	Regulation 18 (1) of the SEBI- LODR – Composition of Audit Committee	The composition of Audit committee is not in line with Reg. 18 (1) of the SEBI LODR with effect from December 11, 2020.	During the review period, the listed entity has not complied with the requirements of the SEBI-LODR due to non-appointment of requisite number of Independent Directors.  NSE & BSE have imposed fine for the same for 3 <sup>rd</sup> & 4 <sup>th</sup> quarter of the review period.
3	Regulation 19(1) & (2) of the SEBI- LODR– composition of Nomination & Remuneration Committee	The composition of Nomination & Remuneration Committee is not in line with Reg. 19 (1) & (2) of SEBI LODR with effect from December 11, 2020.	During the review period, the listed entity has not complied with the requirements of the SEBI LODR due to non-appointment of requisite number of Independent Directors.  NSE & BSE have imposed fine for the same for 3 <sup>rd</sup> & 4 <sup>th</sup> quarter of the review period.

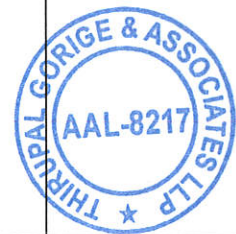
Sr. No.	Compliance Requirement (Regulations/ circulars /guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
4	Regulation 20(2) of the SEBI- LODR – Composition of Stakeholders Relationship Committee	The composition of Stakeholders committee is not in line with Reg.20(2) of the SEBI LODR with effect from December 11 2020 to March 30, 2021.	During the review period, the listed entity has not complied with the requirements of the SEBI (LODR) due to non-appointment of requisite number of Independent Directors.  NSE & BSE have imposed fine for the same for 3 <sup>rd</sup> & 4 <sup>th</sup> quarter of the review period.  The listed entity duly reconstituted the said committee on March 31, 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:



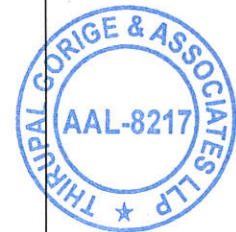

Sr. No	Action taken by	Details of Violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practising Company Secretary, if any.
1	NSE & BSE have imposed fine on the listed entity for non-appointment of adequate number of Independent Directors including one woman independent director.	Regulation 17(1) of the SEBI LODR	<p>NSE served non-compliance letters to the listed entity for all the 4 Quarters and also imposed fine as follows:</p> <p>Q1: Rs.5,36,900/- (Rs.4,55,000/- plus GST @ 18%)</p> <p>Q2: Rs.5,42,800/- (Rs.4,60,000/- plus GST @ 18%)</p> <p>Q3: Rs. 5,42,800/- (Rs.4,60,000/- plus GST @ 18%)</p> <p>Q4: Rs.5,31,000/- (Rs.4,50,000/- plus GST @ 18%)</p> <p>Similarly, BSE served non-compliance letters to the listed entity for all the 4 Quarters and also imposed fine as follows:</p> <p>Q1: Rs.5,36,900/- (Rs.4,55,000/- plus GST @ 18%)</p> <p>Q2: Rs.5,42,800/-</p>	<p>The listed entity has not paid fine imposed by BSE and NSE.</p> <p>It was informed by the listed entity to Stock Exchanges as follows:</p> <p>“The listed entity is a Govt. Company under the administrative control of the Ministry of Defence (MoD), Dept of Defence Production. Being a Government Company, the composition of Board is decided by the Government of India and the Directors on Board are also appointed by the Government of India.”</p> <p>The Company has been promptly notifying all vacancies in advance to the Government and periodical reminders are also sent requesting for filling up the vacancies.</p> <p>BSE vide its e-mail dated 12 April 2021 has waived off fine levied on the Company till 31 December 2020.</p>



Sr. No	Action taken by	Details of Violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practising Company Secretary, if any.
			(Rs.4,60,000/- plus GST @ 18%)  Q3: Rs. 5,42,800/- (Rs.4,60,000/- plus GST @ 18%)  Q4: Rs.5,31,000/- (Rs.4,50,000/- plus GST @ 18%)	
2	NSE & BSE have imposed fine on the listed entity for Non-compliance of Composition of Audit Committee.	Regulation 18(1) of the SEBI-LODR	NSE served non-compliance letters to the listed entity for Quarter 3 & Quarter 4 and also imposed fine as follows:  Q3: Rs. 51,920/- (Rs.44,000/- plus GST @ 18%)  Q4: Rs.2,12,400/- (Rs.1,80,000/- plus GST @ 18%)  Similarly, BSE served non-compliance letters to the listed entity for Quarter 3 & Quarter 4 and also imposed fine as follows:  Q3: Rs. 51,920/- (Rs.44,000/- plus	The listed entity has not paid fine imposed by BSE and NSE.  It was informed by the listed entity to Stock Exchanges as follows:  The Listed entity is a Govt. Company under the administrative control of the Ministry of Defence (MoD), Dept of Defence Production. Being a Government Company, the composition of Board is decided by the Government of India and the Directors on Board are also appointed by the Government of India.  The Company has been promptly notifying all vacancies in advance to



Sr. No	Action taken by	Details of Violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practising Company Secretary, if any.
			<p>GST @ 18%)</p> <p>Q4: Rs.2,12,400/- (Rs.1,80,000/- plus GST @ 18%)</p>	<p>the Government and periodical reminders are also sent requesting for filling up the vacancies.</p> <p>Non-compliance under Regulation 18(1) is due to non-appointment of requisite number of Independent Directors.</p> <p>BSE vide its e-mail dated 12 April 2021 has waived off fine levied on the Company till 31 December 2020.</p>
3	NSE & BSE have imposed fine on the listed entity for Non-compliance of Composition of Nomination & Remuneration Committee.	Regulation 19 (1) & (2) of SEBI-LODR.	<p>NSE served non-compliance letters to the listed entity for Quarter 3 &amp; Quarter 4 and also imposed fine as follows:</p> <p>Q3: Rs.51,920/- (Rs.44,000/- plus GST @ 18%)</p> <p>Q4: Rs. 2,12,400/- (Rs.1,80,000/- plus GST @ 18%)</p> <p>Similarly, BSE served non-</p>	<p>The listed entity has not paid fine imposed by BSE and NSE.</p> <p>It was informed by the listed entity to Stock Exchanges as follows:</p> <p>The Listed entity is a Govt. Company under the administrative control of the Ministry of Defence (MoD), Dept of Defence Production. Being a Government Company, the composition of Board is decided by the Government of India and the Directors on</p>



Sr. No	Action taken by	Details of Violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practising Company Secretary, if any.
			<p>compliance letters to the listed entity for Quarter 3 &amp; Quarter 4 and also imposed fine as follows:</p> <p>Q3: Rs.51,920/- (Rs.44,000/- plus GST @ 18%)</p> <p>Q4: Rs. 2,12,400/- (Rs.1,80,000/- plus GST @ 18%)</p>	<p>Board are also appointed by the Government of India.</p> <p>The Company has been promptly notifying all vacancies in advance to the Government and periodical reminders are also sent requesting for filling up the vacancies.</p> <p>Non-compliance under Regulation 19(1) &amp; (2) is due to non-appointment of requisite number of Independent Directors.</p> <p>BSE vide its e-mail dated 12 April 2021 has waived off fine levied on the Company till 31 December 2020.</p>
4	NSE & BSE have imposed fine on the listed entity for Non-compliance of Composition of Stakeholders Relationship Committee.	Regulation 20 (2) / 2A of the SEBI-LODR.	<p>NSE served non-compliance letters to the listed entity for Quarter 3 &amp; Quarter 4 and also imposed fine as follows:</p> <p>Q3: Rs.51,920/- (Rs.44,000/- plus GST @ 18%)</p>	<p>The listed entity has not paid fine imposed by BSE and NSE.</p> <p>It was informed by the listed entity to Stock Exchanges as follows:</p> <p>The listed is a Govt. Company under the administrative control of the Ministry of</p>



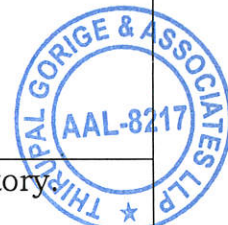


Sr. No	Action taken by	Details of Violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practising Company Secretary, if any.
			<p>Q4: Rs.2,10,040/- (Rs.1,78,000/- plus GST @ 18%)</p> <p>Similarly, BSE served non-compliance letters to the listed entity for Quarter 3 &amp; Quarter 4 and also imposed fine as follows:</p> <p>Q3: Rs. 51,920/- (Rs.44,000/- plus GST @ 18%)</p> <p>Q4: Rs.2,10,040/- (Rs.1,78,000/- plus GST @ 18%)</p>	<p>Defence (MoD), Dept of Defence Production. Being a Government Company, the composition of Board is decided by the Government of India and the Directors on Board are also appointed by the Government of India.</p> <p>The Company has been promptly notifying all vacancies in advance to the Government and periodical reminders are also sent requesting for filling up the vacancies.</p> <p>Non-compliance under Regulation 20(2) / 2A is due to such vacancies.</p> <p>BSE vide its e-mail dated 12 April 2021 has waived off fine levied on the Company till 31 December 2020.</p>




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

Sr. No	Observations of the Practising Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the action taken by the listed entity
01.	<p>During the review period, the listed entity is yet to appoint the adequate number of Independent Directors as per the requirements of the SEBI - LODR.</p> <p>NSE &amp; BSE have imposed fine the same.</p> <p>The listed entity has not paid fine imposed by BSE and NSE.</p>	FY 2018-19	<p>As it is Public Sector Company, the Government has absolute authority to nominate the Directors for appointment. Since there was no such nomination made by the Government the Company couldn't comply with the regulations. The same was discussed in the Board and the same has been reported to respective Stock Exchanges.</p>	<p>Self explanatory.</p> <p>Further it is observed that NSE vide its letter no. NSE/LIST/SOP/0449 dated 22 June 2020 has waived off fine levied on the Company till 31 December 2019 and BSE vide its e-mail dated 12 April 2021 has waived off fine levied on the Company including 2019-20 till 31 December 2020.</p>
02.	<p>During the review period, the listed entity is yet to appoint the adequate number of Independent</p>	FY 2019-20	<p>As it is a Public Sector Company, the Government has absolute authority to</p>	<p>Self explanatory</p> <p>Further it is observed that NSE vide its letter no.</p>

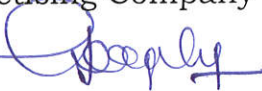


Sr. No	Observations of the Practising Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the action taken by the listed entity
	<p>Directors as per the requirements of the SEBI - LODR.</p> <p>NSE &amp; BSE have imposed fine the same.</p> <p>The listed entity has not paid fine imposed by BSE and NSE.</p>		<p>nominate the Directors for appointment. Since there was no such nomination made by the Government, the Company couldn't comply with the regulations. The same was discussed in the Board and the has been reported to respective Stock Exchanges.</p>	<p>NSE/LIST/SOP/0449 dated 22 June 2020 has waived off fine levied on the Company till 31 December 2019.</p> <p>BSE vide its e-mail dated 12 April 2021 has waived off fine levied on the Company including 2019-20 till 31 December 2020.</p>

Place: Bengaluru  
Date: 23-06-2021



For Thirupal Gorige & Associates LLP  
Practising Company Secretaries

  
CS Thirupal Gorige  
Designated Partner  
FCS No. 6680; CP No.6424  
UDIN: F006680C000500833