

BHARAT DYNAMICS LIMITED

(A Govt. of India Enterprise, Ministry of Defence) CIN :- L24292TG1970GOI001353 Corporate Office: - Plot No. 38-39, TSFC Building, Near ICICI Towers, Financial District,Nanakramguda, Hyderabad-500032 Registered Office: - Kanchanbagh, Hyderabad-500058 Tel: 040-23456145; Fax: 040-23456110 E-mail: investors@bdl-india.in; Website: www.bdl-india.in

Ref: BDL/CS/2022/SE-18

Date: 20/05/2022

To,	To,
The Manager	The Manager
Compliance Department	Compliance Department
The National Stock Exchange of India Ltd	BSE Limited
Exchange Plaza,	Phiroze Jeejeebhoy Tower,
Bandra-Kurla Complex, Bandra (East) Mumbai- 400051	Dalal Street, Mumbai- 400001
Scrip Code BDL	Scrip Code 541143

Dear Sir/Madam,

Sub: Annual Secretarial Compliance Report for the year ended 31st March 2022 under Regulation 24A of SEBI (LODR) Regulations, 2015.

We wish to inform that pursuant to SEBI circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 we are enclosing the Annual Secretarial Compliance report for the year ended 31st March 2022.

Kindly take this report on your record.

For Bharat Dynamics Limited

Norgafest

N. NAGARAJA COMPANY SECRETARY

Encl: As stated above

APARTHI JAGANNATHAM & CO.

C O M P A N Y S E C R E T A R I E S ANNUAL SECRETARIAL COMPLIANCE REPORTOF BHARAT DYNAMICS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

[Under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Puttaparthi Jagannatham & Co., a firm of Practicing Company Secretaries, Hyderabad have examined:

- a) all the documents and records made available to us and explanation provided by Bharat Dynamics 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 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) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable to the Company during the review period;

(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 to the Company during the review period;

 (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable to the Company during the review period;



(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable to the Company during the review period;

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable to the Company during the review period;

(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; (to the extent applicable)

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	Observation/ Remarks of Practicing Company Secretary*
1	Regulation 17(1)(a) of SEBI (LODR) Regulations: -Board of Directors shall have an optimum combination of executive and non-executive Directors with at least One Woman Director and not less than 50% of the Board of Directors shall comprise of Non- executive directors -Board of Directors of the top 500 listed entities shall have at least one Independent Woman Director by April 1, 2019 and the Board of Directors of the top 1000listed entities shall have at least one Independent Woman Director by April 1, 2020.	The Company being one of the top 500 Listed Entity, it does not have atleast One Independent Woman Director Director till third quarter end.	Till the third quarter end, the Company did not meet the requirement under proviso to 17(1)(a) of the SEBI (LODR) Regulations. The Government of India has appointed one Independent Woman Director on 27 th December 2021 and accordingly the Company has complied with the 17(1) (a) of the LODR Regulations from fourth quarter onwards.
2	Regulation 17(1)(b) of SEBI (LODR) Regulations: - Where the listed entity does not have a regular Non executive Chairperson, at least half of the Board of Directors	During the period under review, the Company had a Executive Chairman and	Till the third quarter end, the Company did not meet the requirement under proviso to 17(1) (b) of the SEBI (LODR) Regulations, where there is a requirement of Six



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	shall comprise of Independent	did not comply	Independent Directors on
	Directors.	with the	the Board.
	- Provided that where the regular	requirement of	
	Non-Executive Chairperson is a	half of the	The Government of India has
	promoter of the listed entity or is	Board of	appointed five new
	related to any promoter or person	Directors	Independent Directors
	occupying management positions	shall comprise	including One Independent
	at the level of Board of Director or	of Independent	Woman Director on the
	at one level below the Board of	Directors till	Board in December 2021.
	Directors, at least half of the Board	third quarter	Furthermore, one position of
	of Directors of the listed entity shall	end.	Independent Directors is still
	consist of Independent Directors.		vacant.
3	Regulation 17(2A) of SEBI (LODR):	The Company	The Company did not meet
	The quorum for every meeting of	has no	the requirement of 17(2A) of
	the board of directors of the top	Independent	SEBI (LODR) Regulations.
	1000 listed entities with effect from	Directors till the	
	April 1, 2019 and of the top 2000	third quarter	However, the Company has
	listed entities with effect from April	end; hence	complied with the regulation
	1, 2020 shall be one-third of its	there were no	17(2A) of SEBI (LODR)
	total strength or three directors,	independent	Regulations on appointment
	whichever is higher, including at	directors	of five new Independent
	least one Independent Director.	present at the	Directors on the Board by
		board meetings	Government of India from
		till third quarter	the fourth quarter onwards.
		end.	
4	Regulation 18(1) (b) of SEBI (LODR)	There were no	The Company did not meet
	Regulations:	Independent	the requirement of
	Every listed entity shall constitute	Directors till the	Regulation 18(1) (b) of SEBI
	Independent Audit Committee with	third quarter	(LODR) Regulations.
	minimum 3 Directors as its	end to	
	members and with two-third of its	constitute an	However, the Company has
	members as the Independent	Independent	complied with the 18(1) (b)
	Directors.	Audit	of SEBI (LODR) Regulations
	birectors.	Committee.	on appointment of five new
		sommerce.	Independent Directors on
			the Board by Government of India from fourth quarter
			onwards.
5	Regulation 19(1) (a) and (b) of SEBI	The Company	The Company did not meet
	(LODR) Regulations:	does not have	the requirement of
	The Board of Directors	enough Non-	Regulation 19(1) (a) and (b)
	The board of Directors	chough Non-	ineBanation 15(1) (a) and (5)



	shall constitute the Nomination and Remuneration Committee (NRC) comprising minimum 3 Directors and all of them shall be Non-executive directors.	executive directors to constitute the Nomination and Remuneration Committee till the third quarter end.	of SEBI (LODR) till the third quarter end. However, the Company has complied with the 19(1) (a) and (b) of SEBI (LODR) Regulations on appointment of five new Independent Directors on the Board by Government of India from fourth quarter onwards.
6	Regulation 19(1)(c) of SEBI (LODR) Regulations: The Nomination and Remuneration Committee shall have atleast 50% of the Directors as Independent Directors.	The Company does not have enough Non- executive directors to constitute the Nomination and Remuneration Committee till the third quarter end.	The Company did not meet the requirement of Regulation 19(1) (c) of SEBI (LODR) till the third quarter end. However, the Company has complied with the 19(1) (c) of SEBI (LODR) Regulations on appointment of five new Independent Directors on the Board by Government of India from fourth quarter onwards.
7	Regulation 20(2)/(2A) of SEBI (LODR) Regulations: The Stakeholder Relationship Committee shall have atleast one member as Independent Director and the Chairman to be a non-executive director.	The Company has no Independent Director till the third quarter end to fulfill the condition of atleast one member as Independent Director in the Stakeholder Relationship Committee.	The Company did not meet the requirement of Regulation 20(2)/(2A) of SEBI (LODR) till the third quarter end. However, the Company has complied with the 20(2)/(2A) of SEBI (LODR) Regulations on appointment of five new Independent Directors on the Board by Government of India from fourth quarter onwards.



	Regulations 21(2) of SEBI (LODR)	The Company	The Company did not
8	Regulations:	has no Independent	meet the requirement of Regulation 21(2) of SEBI
	The Risk Management Committee	Director till the	(LODR).
	shall have minimum three members with majority of them	third quarter end to fulfill the	However thereafter the Company has complied with
	being members of the board of	condition of	the regulation 21(2) of SEBI
	directors, including at least one independent director.	at least one member	(LODR) Regulations on appointment of five new
	independent director.	as Independent	Independent Directors on
		Director in the	the Board by Government of
		Risk	India from fourth quarter
		Management Committee.	onwards.

*It is observed that the Company being a Government Company under the Administrative Control of Ministry of Defence, the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointments including remuneration, evaluation vests with the Government of India (GOI). The Company is following up regularly with the Administrative Ministry for filling up the vacancies of Independent Directors.

(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.	Observation/ Remarks of Practicing Company Secretary, if any.
1	Stock Exchang es (BSE & NSE)	Reg. 17(1) of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to the composition of Board including failure to appoint Woman	Fine of Rs. Rs.27,50,000/- (Rs.13,75,000/- for BSE & NSE each) for the said quarters payable by the Company for non- compliance with SEBI	It is observed that the Company has submitted a reply stating that they should not be held liable to pay the fine and applied for waiver of fine since non – compliance is not due to



2	Stock Exchang es (BSE & NSE)	quarters June 2021, September 2021, December 2021. Reg. 17(2A) of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to quorum of Board meetings for the quarters June 2021, September 2021.	Fine of Rs.80000/- (Rs.40000/- for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI(LODR) Regulations.	by the Company. The Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) vests with the Government of India (GOI). Further it is submitted that the appointment of
3	Stock Exchang es (BSE & NSE)	Reg. 18 of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to constitution of Audit Committee for the quarters June 2021, September 2021, December 2021.	Fine of Rs.1100000/- (Rs.550000/- for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI (LODR) Regulations.	five new Independent Directors on the Board of the Company has been done at the end of third quarter i.e. December 2021 by Government of India and the Company has complied with the requirements from the start of fourth quarter, <i>except to the extent of</i> <i>requirement of 50%</i> <i>Independent Directors</i> <i>on the Board.</i>
4	Stock Exchang es (BSE & NSE)	Reg. 19 of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to constitution of Nomination and Remuneration Committee for the quarters June 2021, September 2021.	Fine of Rs.11,00,000/- (Rs. 5,50,000/- for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI(LODR) Regulations.	
5	Stock Exchang es (BSE & NSE)	Reg. 20 of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to constitution of	Fine of Rs. 11,00,000/- (Rs. 5,50,000/- for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI(LODR)	



	×	Stakeholders Relationship Committee for the quarters June 2021, September 2021, December 2021.	Regulations.	
6	Stock Exchang es (BSE & NSE)	Reg. 21 of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to constitution of risk management Committee for the quarters September 2021, December, 2021.	Fine of Rs.5,96,000/- (Rs.2,98,000/- for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI (LODR) Regulations.	

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

Sr.	Observations	Observations	Action taken by the listed entity,	Comments of
No	of the	made in the	if any	the practicing
	practicing	secretarial	A In Contraction	company
	company	compliance		secretary on
	secretary in	report for the		action taken by
	the previous	previous		the listed entity
	reports	years		



1	Non-	The Company	The Company has submitted a	It is hereby opined
	compliance	did not	reply letter stating that they	that the Company
	with the	comply with	should not be held liable to	has taken
	requirements	the	pay the fine and the same be	appropriate action
	pertaining to	requirement	waived off since non –	by submitting a
	the	of 50% of	compliance is not due to any	letter that it should
	composition of	Independent	negligence/default by the	not be held liable
	Board	Directors on	Company. The Company being	for payment of
	including	the Board.	a Government of India	penalty since non -
	failure to		Enterprise, the power to	compliance is not
	appoint		appoint Directors (including	due to any
	Woman		Independent Directors) vests	negligence/default
	Director for	and the second second	with the Government of India	by the Company.
	the quarter		(GOI). Further, the	Further the
	ended June	1000	appointment of	Company being a
	2020,		Independent Directors on	Government of
	September	1.1	the Board of the Company	India Enterprise,
	2020,		is in the process at	the power to
	December		Department of Public	appoint Directors
	201	1000		1
	2021.		Enterprise	vests with the
	2021.		Enterprise.	vests with the Government of
	2021.		Enterprise.	Government of
2	2021. Non-	The Company	The Company has submitted a	AND A DESCRIPTION OF A
2		The Company did not	A B. Stauca	Government of India (GOI).
2	Non-		The Company has submitted a	Government of India (GOI). It is hereby opined
2	Non- compliance	did not	The Company has submitted a reply letter stating that they	Government of India (GOI). It is hereby opined that the Company
2	Non- compliance with the requirements	did not comply with	The Company has submitted a reply letter stating that they should not be held liable to	Government of India (GOI). It is hereby opined that the Company has taken
2	Non- compliance with the	did not comply with the	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non –	Government of India (GOI). It is hereby opined that the Company has taken appropriate action
2	Non- compliance with the requirements pertaining to the	did not comply with the requirement of 50% of	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a
2	Non- compliance with the requirements pertaining to	did not comply with the requirement	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable
2	Non- compliance with the requirements pertaining to the composition of Board	did not comply with the requirement of 50% of Independent	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of
2	Non- compliance with the requirements pertaining to the composition of	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non –
2	Non- compliance with the requirements pertaining to the composition of Board including failure to	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India Enterprise, the power to	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non – compliance is not
2	Non- compliance with the requirements pertaining to the composition of Board including	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India Enterprise, the power to appoint Directors (including	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non – compliance is not due to any
2	Non- compliance with the requirements pertaining to the composition of Board including failure to appoint	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India Enterprise, the power to	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non – compliance is not due to any negligence/default
2	Non- compliance with the requirements pertaining to the composition of Board including failure to appoint Woman Director for	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) vests with the Government of India	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non – compliance is not due to any
2	Non- compliance with the requirements pertaining to the composition of Board including failure to appoint Woman	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) vests with the Government of India (GOI). Further, the	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non – compliance is not due to any negligence/default by the Company. Further the
2	Non- compliance with the requirements pertaining to the composition of Board including failure to appoint Woman Director for the quarter ended June	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) vests with the Government of India (GOI). Further, the appointment of	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non – compliance is not due to any negligence/default by the Company. Further the Company being a
2	Non- compliance with the requirements pertaining to the composition of Board including failure to appoint Woman Director for the quarter	did not comply with the requirement of 50% of Independent Directors on	The Company has submitted a reply letter stating that they should not be held liable to pay the fine and the same be waived off since non – compliance is not due to any negligence/default by the Company. The Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) vests with the Government of India (GOI). Further, the	Government of India (GOI). It is hereby opined that the Company has taken appropriate action by submitting a letter that it should not be held liable for payment of penalty since non – compliance is not due to any negligence/default by the Company. Further the



December	Department of Public	appoint Directors
2021.	Enterprise.	vests with the
	(1995) - 1	Government of
		India (GOI).

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Place: Hyderabad Date: 18th May, 2022

For Puttaparthi Jagannatham & Co.

CS Navajyoth Puttaparthi Partner FCS No: 9896; C P No: 16041 Peer Review Certificate No. 1158/2021 UDIN: F009896D000338884