



भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED

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/2021/SE-19

Date: 25/05/2021

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

Dear Sir/Madam,

Sub: Annual Secretarial Compliance Report for the year ended 31st March 2021 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 2021.

Kindly take this report on your record.

For Bharat Dynamics Limited

**N. NAGARAJA
COMPANY SECRETARY**

Encl: As stated above



PUTTAPARTHI JAGANNATHAM & CO.
COMPANY SECRETARIES

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF BHARAT DYNAMICS LIMITED FOR THE
YEAR ENDED 31ST MARCH, 2021**

**[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, 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:

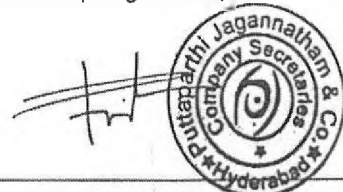
(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(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;



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(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 1000 listed 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	*As on 31st March, 2021 the Company is not meeting the requirement under proviso to Regulation 17(1)(a) of the LODR Regulations.
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 shall comprise of Independent Directors. - Provided that where the regular Non-Executive Chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of Board of Director or at one level below the Board of Directors, at least half of the Board of	During the review period, the Company had executive Chairman. However, the Company has no Independent Directors w.e.f 13/09/2020	*As on 31st March, 2021 the Board doesn't consist of at least half of the Board of Directors comprising of Independent directors.



	Directors of the listed entity shall consist of Independent Directors		
3	Regulation 17(2A) of SEBI (LODR) Regulations: 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, including at least one independent director	The Company has no Independent Directors w.e.f 13/09/2020, hence there was no independent directors presence at the subsequent board meetings	*As on 31 st March, 2021, the Company is not meeting the requirement w.r.t quorum of board meetings.
4	Regulation 18(1) (b) of SEBI (LODR) Regulations: Every listed entity shall constitute Independent Audit Committee with minimum 3 Directors as its members and with two-third of its members as the Independent Directors	The Company has no Independent Directors w.e.f 13/09/2020, hence the Audit Committee has been suspended	*As on 31 st March, 2021, the Company is not meeting the requirement w.r.t constitution and meeting of Audit Committee.
5	Regulation 19(1) (a) and (b) of SEBI (LODR) Regulations: The Board of Directors shall constitute the Nomination and Remuneration Committee (NRC) comprising minimum 3 Directors and all of them shall be Non-executive directors.	The Company has no Independent Directors w. e. f 13/09/2020, hence the NRC Committee has been suspended	*As on 31 st March, 2021, the Company is not meeting the requirement w. r. t constitution and meeting of Nomination & Remuneration Committee.
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 has no Independent Directors w. e. f 13/09/2020, hence the NRC has been suspended	*As on 31 st March, 2021, the Company is not meeting the requirement w. r. t constitution and meeting of Nomination & Remuneration Committee.
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 Directors w. e. f 13/09/2020, hence the Stakeholder Relationship Committee has been suspended	*As on 31 st March, 2021, the Company is not meeting the requirement w. r. t constitution and meeting of Stakeholder Relationship Committee.

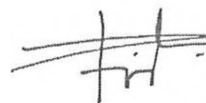




8	<p>Regulation 25(6) of SEBI (LODR) Regulations:</p> <p>An Independent Director who resigns (or) is removed from the Board of Directors of the listed entity shall be replaced by a new Independent Director by listed entity at the earliest but not later than the immediate next meeting of the Board of Directors or three months from the date of such vacancy, whichever is later</p>	<p>As on 31st March, 2021, the company is yet to replace new Independent Director from the date of vacancy</p>	<p>* No Independent Director was removed or resigned however the vacancy caused upon completion of tenure of Independent Directors, were not filled, as per the timelines prescribed under Regulation 25(6) of LODR Regulations i.e. within a period of 3 months.</p>
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*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 etc., vests with the Government of India (GOI) and the Company is following up the matter rigorously with the Administrative Ministry i.e., Ministry of Defence for filling up the vacancy 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 Exchanges (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 Director for the quarters June 2020,	Fine of Rs. 32,45,000 (Rs. 16,22,500 for BSE & NSE each) for the said quarters payable by the Company for non-compliance with SEBI (LODR) Regulations	It is observed that the Company has submitted a reply 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

		September 2020, December 2020		<p>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 Independent Directors on the Board of the Company is in the process at Department of Public Enterprise.</p> <p>The stock exchange has also granted waiver for the penalties levied considering the representations of the Company.</p>
2	Stock Exchanges (BSE & NSE)	Reg. 17(2A) of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to quorum of Board meetings for the quarter December 2020	Fine of Rs. 23,600 (Rs. 11,800 for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI (LODR) Regulations	
3	Stock Exchanges (BSE & NSE)	Reg. 18 of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to constitution of Audit Committee for the quarter December 2020	Fine of Rs. 94,400 (Rs. 47,200 for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI (LODR) Regulations	
4	Stock Exchanges (BSE & NSE)	Reg. 19 of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to constitution of Nomination and Remuneration Committee for the quarter December 2020	Fine of Rs. 94,400 (Rs. 47,200 for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI (LODR) Regulations	
5	Stock Exchanges (BSE & NSE)	Reg. 20 of SEBI (LODR) Regulations: Non-compliance with the requirements pertaining to constitution of Stakeholders Relationship Committee for the quarter December 2020	Fine of Rs. 94,400 (Rs. 47,200 for BSE & NSE each) for the said quarter payable by the Company for non-compliance with SEBI (LODR) Regulations	

[Handwritten Signature]



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

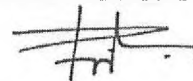
Sr. No	Observations of the practicing company secretary in the previous reports	Observations made in the secretarial compliance report for the previous years	Action taken by the listed entity, if any	Comments of the practicing company secretary on action taken by the listed entity
1	Non-compliance with the requirements pertaining to the composition of Board including failure to appoint Woman Director for the quarter ended June 2019, September 2019, December 2019	The Company did not comply with the requirement of 50% of Independent Directors on the Board	The Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) vests with the Government of India (GOI). The Company is following up the matter rigorously with the Administrative Ministry i.e., Ministry of Defence for filling up the vacancy of Independent Directors. The appointment of Independent Directors on the Board of the Company is in the process at Department of Public Enterprise. The Company has submitted a reply to stock exchanges 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.	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 Government of India Enterprise, the power to appoint Directors vests with the Government of India (GOI). The stock exchange has also granted waiver for the penalties levied considering the representations of the Company.
2	Non-compliance with the requirements pertaining to the composition of Board including failure to appoint Woman Director for the quarter ended September 2018, December 2018 and March 2019	The Company did not comply with the requirement of 50% of Independent Directors on the Board		

Place: Hyderabad

Date: 25th May, 2021

UDIN: F009896C000366758

For PUTTAPARTHI JAGANNATHAM & Co.,
COMPANY SECRETARIES



CS NAVAJYOTH PUTTAPARTHI
PARTNER, CP No 16041