

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

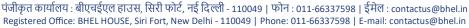
Pursuant to Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, please find enclosed the Annual Secretarial Compliance Report in respect of BHEL for the financial year ended 31.03.2024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















AKHIL ROHATGI & COMPANY

Company Secretaries
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GST No: 07ABTFA2714K127

SECRETARIAL COMPLIANCE REPORT OF

BHARAT HEAVY ELECTRICALS LIMITED FOR THE YEAR ENDED 31st MARCH, 2024

[Pursuant to Regulation 24A (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

We, Akhil Rohatgi & Co., Practicing 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/ Company" 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, 2024 ("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 on the Company during 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 on the Company during review period]
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; [Not applicable on the Company during review period]
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018 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.	Compliance	Regulation/	Deviations	Action	Type of	Details of	Fine Amount	Observations/	Management Response	Remarks
No.	Requirement	Circular No.		Taken by				Rem arks of		
	(Regulations/							the Practicing		
1	circulars/							Company		
	guidelines							Secretary		
	including							Beeretary		
	specific clause)									
1.	The Listed	Dlation	The Comme	National	Fine	The	NCE 0 DCE	The	BUEL bring Comment	A - 1-6 1 1 - 41-
1 1.		Regulation	The Company		rine		NSE & BSE	The	BHEL being a Government	As informed by the
l	Company shall	17(1) of the	did not have	Stock		Company	each levied	Company	Company, the power to	Management, BHEL being a
1	have an optimum	Securities	requisite	Exchange		did not	a fine of Rs.	has filed its	appoint directors, including	Government Company, the
1	combination of	and	number of	of India		have	5,36,900	replies to	independent directors, lies	appointment/ nomination
1	executive and	Exchange	Independent	Limited		requisite	for the	BSE & NSE	with the Government of	of all directors including
1	non-executive	Board of	Directors	("NSE") &		number	quarter	dated	India. Accordingly, BHEL	independent directors is
	directors and not	India	during the	BSE		of	ended	31.08.2023,	has been in constant	done by the Government of
	less than 50%	(Listing	period under	Limited		Independ	30.06.2023	30.11.2023	communication with the	India. Further, the Company
	comprising of	Obligations	review.	("BSE")		ent	and Rs.	and	Government requesting for	has communicated to the
	non- executive	&				Directors	5,42,800	27.02.2024	appointment of requisite	Government of India for
1	directors. Where	Disclosure				during	for each	for the	number of independent	appointment of requisite
	the listed entity	Requireme				the	quarter	quarters	directors so as to ensure	number of independent
	does not have	nts)		·		period	ended	ended	compliance with Corporate	directors on its Board in
1	regular non-	Regulations		-		under	30.09.2023	30.06.2023,	Governance norms. The	order to comply with the
1	executive	, 2015				review.	&	30.09.2023	matter of filling up of these	provisions of the SEBI
1	chairperson, at						31.12.2023.	and	vacancies is under process	Listing Regulations.
1	least half of the							31.12.2023	at the end of Government of	
	Board shall						*No fine	respectively	India. In view of the above,	In our opinion also, the non-
	comprise of				J ,		has yet	seeking	the	compliance with regard to
Ì	independent						been levied	waiver of	Company has requested the	the composition of the
1	directors.						for the	fine under	Exchanges for the waiver of	Board by BHEL due to non-
							quarter	their carve-	the fines imposed under	appointment of sufficient
							ended	out policies.	their carve-out policies.	number of independent
							31.03.2024.	_	•	directors is not due to any
									*	negligence/ default by the
										Company as the same is not
							;			under the control of the
1]					Company.



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

Sr.	irculars/	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	n 17 (1) of the Securities and Exchange Board of India (Listing Obligatio ns and Disclosur	Company did not have requisite	(BSE) and National Stock Exchange of India (NSE)	imposed a fine of Rs. 5000/-	The Compan y did not have requisit e number of indepen dent director s on its Board during the period from 30.05.20 22 to 31.03.20 23	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 interalia including obtaining 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



	1								In our opinion	directors so as	number of
				[also, the non-	to ensure	independent
				ĺ		-			compliance	compliance with	directors with
1				<u> </u>			i	· 1	with regard to	Corporate	the
									the	Governance	Government
				1				,	composition	norms	of India.
									of the Board	enunciated	Further, BHEL
									by BHEL due	under SEBI	has been
-									to non-	Listing	seeking
				ĺ			1		appointment	Regulations as	waiver of
-		•							of sufficient	well as the	fines in this
			,						number of	Companies Act.	regard from
									independent	The matter of	the Stock
									directors is	filling up of	Exchanges
									not due to any	these vacancies	under their
- 1					·				negligence/	is under process	carve-out
									default by the	at the end of	policies and
i]					Company as	Government of	its previous
									the same is	India.	requests upto
									not under the	Accordingly, the	the quarters
									control of the	Company has	
-				i					Company	requested the	31.12.2021
1										Exchanges for	have been
				1			ĺ	1		the waiver of	approved.
										the fines	ı
										imposed for the	
				•						quarters ended	
										September and	
1			1	[December, 2022	
										under their	1
1			ĺ	1				i		carve-out	1.
İ					1					 policies	

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(c) We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI)	Yes	None
2.	 Adoption and timely updation of the Policies: All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI 	Yes Yes	None
3.	 Maintenance and disclosures on Website: The Listed Entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes Yes Yes	None None None
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act 2013	Yes	None
5.	Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA NA	The Company did not have any subsidiary during FY 2023-24.
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival Policy prescribed under the LODR Regulations	Yes	None



7.	Performance of Evaluation:		The Company has stated that the
Ì	The listed entity has conducted performance evaluation of the Board, Independent	Yes	Directors of the Company are
	Directors and the Committees at the start of every financial year as prescribed in		appointed/ nominated by the
	SEBI Regulations		Government of India and the
			performance evaluation is also
	·		done by Government of India,
			being appointing authority. In
		r	this regard, as per Ministry of
			Corporate Affairs' (MCA)
1			notification dated 05.06.2015,
			Government Companies are
		•	exempted from complying with
1			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.
8.	Related Party Transactions:		
	(a) The listed entity has obtained prior approval of Audit Committee for all Related	Yes	None
	party transactions		



	(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently	NA	Not applicable in view of 8 (a) above
	approved/ ratified/ rejected by the Audit Committee		
9.	Disclosure of events or information:	•	
	The listed entity has provided all the required disclosure(s) under Regulation 30	Yes	None
	along with Schedule III of the LODR Regulations within the time limits prescribed		
	thereunder		
10.	Prohibition of Insider Trading:		
	The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition	Yes	None
	of Insider Trading} Regulations, 2015		
11.	Actions taken by SEBI or Stock Exchange(s), if any:		
	No actions taken against the listed entity/ its promoters/ directors/ subsidiaries	Yes	Mentioned in table (a) above.
	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		
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries		Being a Government Company,
	In case of resignation of statutory auditor from the listed entity or any of its	·	appointment of Statutory/
	material subsidiaries during the financial year, the listed entity and/ or its material	Yes	Branch Auditors of the Company
	subsidiary(ies) has/ have complied with paragraph 6.1 and 6.2 of section V-D of		has been done by the office of the
	chapter V of the Master Circular on compliance with the provisions of the LODR		Comptroller and Auditor General
	Regulations by listed entities		of India (C&AG). The
			appointment letter also contains
			terms of appointment of the
1 1			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



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

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

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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