

## BHEL BOARD AND BOARD LEVEL COMMITTEES

### (i) Name of Boards, Committee etc.

- a. BHEL Board of Directors
- b. Board Level Audit Committee
- c. Nomination and Remuneration Committee
- d. Stakeholders Relationship Committee
- e. Share Transfer Committee
- f. Board Level Committee for Corporate Social Responsibility
- g. HR Committee
- h. Committee of Independent Directors
- i. Board Level Risk Management Committee
- j. Committee on Arbitration & Major Legal Disputes
- k. Board Level Committee on Mergers & Acquisitions
- l. Board Level Committee on Alternative Dispute Resolution (BLCADR)
- m. Buy-Back Committee was also constituted for the purpose of BHEL buy-back done during the FY 2018-19.

### (ii) Composition: Composition of Board of Directors as on 08.07.2019

S. No.	Name of Director (S/Shri)	Designation
1	Dr. Nalin Shinghal	Chairman & Managing Director
2	Amit Vardan	JS, DHI
3	Ramachandran Swaminathan	Part Time Non-Official Director
4	Desh Deepak Goel	Part Time Non-Official Director
5	Ranjit Rae	Part Time Non-Official Director
6	Rajesh Sharma	Part Time Non-Official Director
7	D. Bandyopadhyay	Director (HR)
8	Subodh Gupta	Director (Finance)
9	S. Balakrishnan	Director (IS&P)
10	Manoj Kumar Varma	Director (Power)
11	Kamlesh Das	Director (E,R&D)

## **COMPOSITION OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS**

### **1. Board Level Audit Committee**

<b>Name of the Director S/ Shri</b>	<b>Position</b>
R. Swaminathan (Independent Director)	Chairperson
Amit Varadan, JS, DHI (Part-time Official Director)	Member
Desh Deepak Goel (Independent Director)	Member
Ranjit Rae (Independent Director)	Member

Director (Finance) will be permanent invitee. Company Secretary shall act as Secretary to the Committee.

### **2. Nomination and Remuneration Committee**

<b>Name of the Director S/ shri</b>	<b>Position</b>
R. Swaminathan (Independent Director)	Chairperson
Dr. Subhash Chandra Pandey SS & FA, DIPP (Part-time Official Director)	Member
Amit Varadan, JS, DHI (Part-time Official Director)	Member
Ranjit Rae (Independent Director)	Member
Rajesh Sharma (Independent Director)	Member

Director (HR) is permanent invitee. Company Secretary shall act as Secretary to the Committee.

### **3. Share Transfer Committee**

<b>Name of the Director S/ Shri</b>	<b>Position</b>
Director (HR)	Chairperson
Director (Finance)	Member
Director (E,R&D)	Member

#### 4. Stakeholders Relationship Committee

<b>Name of the Director S/ Shri</b>	<b>Position</b>
R. Swaminathan (Independent Director)	Chairperson
Amit Varadan, JS, DHI (Part-time Official Director)	Member
Ranjit Rae (Independent Director)	Member
Director (HR)	Member
Director (Finance)	Member

Company Secretary shall act as Secretary to the Committee.

#### 5. HR Committee

<b>Name of the Director S/ Shri</b>	<b>Position</b>
Desh Deepak Goel (Independent Director)	Chairperson
Ranjit Rae (Independent Director)	Member
Director (HR)	Member
Director (Finance)	Member

Head (HR)-ED/ GM In-charge, Corporate Office is permanent invitee.  
Company Secretary shall act as Secretary to the Committee.

#### 6. Committee on Arbitration & Major Legal Disputes

<b>Name of the Director S/ Shri</b>	<b>Position</b>
Desh Deepak Goel (Independent Director)	Chairperson
Amit Varadan, JS, DHI (Part-time Official Director)	Member
Rajesh Sharma (Independent Director)	Member
Director (HR)	Member

Head-Law will be the Convenor.

## 7. Board Level Risk Management Committee

<b>Name of the Director S/ Shri</b>	<b>Position</b>
SS & FA, DIPP (Part-time Official Director)	Chairperson
Desh Deepak Goel (Independent Director)	Member
Director (IS&P)	Member
Director (Finance)	Member
Director (Power)	Member
Chairman, Risk Management Steering Committee	Member
Chief Risk Officer	Member & Convener

## 8. Board Level Committee on Mergers & Acquisitions

<b>Name of the Director S/ Shri</b>	<b>Position</b>
Amit Varadan, JS, DHI (Part-time Official Director)	Chairperson
Desh Deepak Goel (Independent Director)	Member
Director (HR)	Member
Director (Finance)	Member
Director (IS&P)	Member
Director (Power)	Member
Director (E,R&D)	Member

Head of M&A Department will be permanent invitee. Company Secretary shall provide secretarial support to the Committee.

#### 9. Board Level Committee for Corporate Social Responsibility

<b>Name of the Director S/ Shri</b>	<b>Position</b>
Ranjit Rae (Independent Director)	Chairperson
Amit Varadan, JS, DHI (Part-time Official Director)	Member
R. Swaminathan (Independent Director)	Member
Rajesh Sharma (Independent Director)	Member
Director (HR)	Member
Director (Finance)	Member

Head (CSR)-ED/GM In-charge, Corporate Office would be Permanent Invitee.  
Company Secretary shall act as Secretary to the Committee.

#### 10. Committee of Independent Directors

<b>Name of the Director S/ Shri</b>	<b>Position</b>
R. Swaminathan (Independent Director)	Chairperson & Lead Independent Director
Desh Deepak Goel (Independent Director)	Member
Ranjit Rae (Independent Director)	Member
Rajesh Sharma (Independent Director)	Member

#### 11. Board Level Committee on Alternative Dispute Resolution (BLCADR)

<b>Name of the Director S/ Shri</b>	<b>Position</b>
R. Swaminathan (Independent Director)	Chairperson
Rajesh Sharma (Independent Director)	Member
Director (Finance)	Member
Director (E,R&D)	Member

The Committee, shall Co-opt the concerned Functional Director as an additional member, whenever required.

## 12. Buyback Committee

Name of the Director S/ Shri	Position
Director (HR)	Chairperson
Director (Finance)	Member
Director (E,R&D)	Member

Company Secretary/ Dy. Company Secretary shall act as the Secretary to the Buyback Committee.

(iii) & (iv) Dates from which constituted, Term/Tenure: The Board Level Committees other than HR Committee, Committee on Arbitration & Major Legal Disputes, Board Level Committee on Mergers & Acquisitions, Share Transfer Committee, Board Level Committee on Alternative Dispute Resolution and Buy-Back Committee are Statutory Committees. All the Committees are periodically reconstituted depending upon the changes taking place in the office of directors of the Company. The last such reconstitution took place on 30.04.2019.

### (v) Powers and functions

a. **BOARD OF DIRECTORS:** The Board's mandate is to oversee the Company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of the shareholders.

The agenda placed before the Board inter-alia includes the following: -

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of Board Meetings of unlisted subsidiary companies.
- Statement of all significant transactions and arrangements entered into by unlisted subsidiary companies.
- The information on recruitment of senior officers just below the Board level.
- Details of any Joint Venture or R&D project or technical collaboration agreement requiring approval of Board of Directors.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front

like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

- Sale of subsidiaries.
- Purchase and Sale of material tangible/intangible assets not in the ordinary course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the issues of adverse exchange rate movement, if material.
- Action Taken Report on matters desired by the Board.
- Disclosure of Interest by Directors about directorships and Committee positions occupied by them in other companies.
- Quarterly report on compliance of various laws.
- Information relating to major legal disputes.
- Status of Arbitration cases.
- Short term investment of surplus funds.
- Any contract(s) in which Director(s) are deemed to be interested.
- Status of shareholders' grievances on quarterly basis.
- Significant Capital Investment proposals.
- Changes in significant accounting policies & practices and reasons for the same.
- Performance of various units/ functions.
- Any other information as required under Listing Regulations, DPE guidelines and SS-1 etc., to be presented to the Board either for information or approval.

- b. Terms of Reference of Board Level Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Share Transfer Committee, Board Level Committee for Corporate Social Responsibility, HR Committee, Board Level Risk Management Committee, Board Level Committee for Corporate Social Responsibility, Committee on Arbitration & Major Legal Disputes, Board Level Committee on Mergers & Acquisitions and Board Level Committee on Alternative Dispute Resolution

**A. Board Level Audit Committee**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vii. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements and auditor's report thereon before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. *Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;*
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower/ Vigil mechanism;
20. To review the Audit paras referred to BLAC by the Internal Audit / Board and / or Govt. of India and to provide its suggestions / guidance / comments on the issues referred to it;
21. Discussion with Statutory Auditors/ Internal Auditors periodically about internal control systems;
22. To seek professional advice from external sources in appropriate cases, wherever required;
23. The Audit Committee shall also review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors; and
  - iv. Internal audit reports relating to internal control weaknesses;
24. Carrying out any other function related to the terms of reference of the Audit Committee as prescribed under the Companies Act, SEB/ Regulations and other statutory regulations.

**B. Nomination & Remuneration Committee**

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal and to carry out evaluation of every director's performance;

2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees in compliance with the provisions of Act/ Listing Regulations/ DPE guidelines;
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. To recommend to the Board, nomination of BHEL officials in the Boards of its subsidiaries and other government organizations which are required to be approved by the Board of BHEL before further submission to DHI;
6. Oversight of the company's policy on specific remuneration packages, perquisites for Whole-time Directors including pension rights and any compensation payment, which are not fixed by the President of India• .
7. Approve certain perquisites for Whole-time Directors which are within the powers of Board. Review of the elements of remuneration package of individual directors summarized under major groups, such as incentives/ benefits, bonus, stock options, pension etc;
8. Finalization of policies on perks and benefits and other related matters which are not fixed by the President of India but within the powers of Board;
9. Approval of fixed component and performance linked incentives based on the performance criteria;
10. Finalization of the criteria of making payments to Non-Executive Directors; .
11. Recommendation of fees/ compensation/ stock options, if any, to be paid/ granted, to non-executive directors, including independent directors, to the Board of Directors/ Shareholders;
12. Recommendation to the board, all remuneration, in whatever form, payable to senior management; .
13. To decide the bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors;
14. Carrying out any other function related to the terms of reference of the NRC as prescribed under the Companies Act, SEB/ Regulations and other statutory regulations. .

**C. Stakeholders Relationship Committee**

1. Resolution of the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-

receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

2. Reviewing measures taken for effective exercise of voting rights by shareholders.
3. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. To look into various aspects of interest of shareholders, debenture holders and other security holders;
6. Carrying out any other function related to the terms of reference of the Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

**D. Share Transfer Committee**

The Share Transfer Committee considers and approves share related issues pertaining to transposition, sub-division, consolidation, issue of duplicate share certificate etc. in physical mode.

**E. Board Level Committee for Corporate Social Responsibility**

1. Formulation and recommendation to the Board the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII to the Companies Act, 2013;
2. Recommendation of the Projects, Programs and amount of expenditure to be incurred on the activities referred to in clause (1);
3. Monitoring the Corporate Social Responsibility activities of the company from time to time;
4. Ensuring compliance with guidelines on Corporate Social Responsibility and Sustainable Development issued by the Government of India from time to time.

**F. HR Committee:** HR Committee specifically to look into the following matters:

- Review of present policies with respect to promotion and reward/ incentive to the Executives.

- Suggest both short term and long term changes in the policies to prepare BHEL for the changed/ emerging business environment.
- Committee of Independent Directors: The Board, in line with DPE OM dated December 28, 2012 on Model Role & Responsibilities of Non-Official Directors for CPSEs, constituted a Committee of Independent Directors, which is also in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Listing Regulations.

#### **G. Board Level Risk Management Committee**

1. Reviewing the Company's risk governance structure, risk assessment and risk management frame work, guidelines, policies and processes for risk assessment and risk management;
2. Reviewing the Company's risk mitigation strategies relating to identified key risks as well as the processes for monitoring and mitigating such risks;
3. Reviewing risk pertaining to Cyber Security and its mitigation;
4. Report to the Board on the Committee's activities for information and recommend proposed changes, if any, to the Board for approval.
5. Carrying out any other function related to the terms of reference of the Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

#### **H. Board Level Committee for Corporate Social Responsibility**

1. Formulation and recommendation to the Board the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII to the Companies Act, 2013;
2. Recommendation of the Projects, Programs and amount of expenditure to be incurred on the activities referred to in clause (1);
3. Monitoring the Corporate Social Responsibility activities of the company from time to time;
4. Ensuring compliance with guidelines on Corporate Social Responsibility and Sustainable Development issued by the Government of India from time to time.

#### **I. Committee on Arbitration & Major Legal Disputes**

The Board of Directors in its meeting held on May 26, 2015 constituted the Committee on Arbitration & Major Legal Disputes for detailed review of

arbitration cases as well as major legal disputes and thereafter apprising the Board accordingly.

**J. Board Level Committee on Mergers & Acquisitions**

Committee examine the feasibility of the proposals relating to mergers, acquisitions and takeover of entities

**K. Board Level Committee on Alternative Dispute Resolution (BLCADR)**

To accept/ reject the proposed Draft Settlement Agreement under BHEL Conciliation Scheme.

**(vi)** Whether their meetings are open to the public?

No.

**(vii)** Whether the minutes of the meetings are open to the public?

No.

**(viii)** Place where the minutes if open to the public are available?

Not applicable.