



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/2023/SE-26

Date: 29/05/2023

To, The Manager Compliance Department The National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai- 400051 Scrip Code BDL	To, The Manager Compliance Department BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001 Scrip Code 541143
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Sub: Annual Secretarial Compliance Report for the year ended 31st March 2023 under Regulation 24A of SEBI (LODR) Regulations, 2015.

Pursuant to Regulation 24A (2) of SEBI (LODR) Regulations, 2015, please find enclosed herewith the Annual Secretarial Compliance Report for the year ended 31st March, 2023.

For Bharat Dynamics Limited

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**N. NAGARAJA
COMPANY SECRETARY**

Encl: As stated above



SECRETARIAL COMPLIANCE REPORT OF BHARAT DYNAMICS LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Bharat Dynamics Limited** (hereinafter referred as 'the listed entity') {CIN: L24292TG1970GOI001353} having its Registered Office at Plot No.38-39, TSFC Building, Near ICICI Towers, Financial District, Nanakramguda, Hyderabad-500032, Telangana. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents, and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 financial year ended 31st March 2023 ("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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as amended;
- (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) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
- (d) SEBI (Buyback of Securities) Regulations, 2018; **Not Applicable to the Company during the review period;**
- (e) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable to the Company during the review period;**
- (f) SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended;
- (g) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable to the Company during the review period;**
- (h) SEBI (Depositories and Participants) Regulations, 2018;
- (i) SEBI (Debenture Trustee) Regulations, 1993; **Not Applicable to the Company during the review period;**
- (j) Framework for listing of Commercial Paper, issued by SEBI vide Circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22nd October, 2019; and
- (k) circulars/ guidelines issued thereunder;

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

- a) The listed entity has maintained proper records under the provisions of the above Regulations and Circulars/ Guidelines issued thereunder in so far as it appears from my/our examination of those records.



- b) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matter specified in **Annexure – A** to the report.
- c) The listed entity has taken the following actions to comply with the observations made in previous reports as appended as **Annexure – B** to the report.
- d) The listed entity has complied with the provisions of Para 6 of Circular No. CIR/ CFD/ CMDI/114/2019 issued by SEBI on 18th October, 2019 in terms of appointment of Statutory Auditors / Resignation of Statutory Auditors of Listed Entity; *No reportable event during the review period and as informed by the management of the Company, the appointment of the listed entity's (Government Company) Statutory Auditor has been done by the office of the Comptroller and Auditor General of India (C&AG) as per the provisions of section 139(5) of the Companies Act, 2013. The appointment letter also contains the terms of appointment of the Statutory Auditors. Since terms of appointment were fixed by the C&AG, compliance by the listed entity with 6(A) and 6(8) of SEBI circular number CIR/CFD/CMDI/114/2019 dated October 18, 2019, are not applicable. Hence, we cannot comment on the said compliance.*
- e) In terms of the NSE Circular Ref No: NSE/CML/2023/30 dated 10th April, 2023 and the BSE Circular No: 20230410-41 dated 10th April, 2023, and amendments therein, our affirmations, is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS
1	Secretarial Standard The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None



2	Adoption and timely updation of the Policies: <ul style="list-style-type: none">• 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 have been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	Yes	None
3	Maintenance and disclosures on the Website: <ul style="list-style-type: none">• 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	None
4	Disqualification of Director: <p>None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	None
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: <p>(a) Identification of material subsidiary companies. (b) Disclosure Requirements of material as well as other subsidiaries.</p>	NA	None
6	Preservation of Documents: <p>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 SEBI LODR Regulations, 2015.</p>	Yes	None
7	Performance Evaluation: <p>The listed entity has conducted performance evaluations of the Board, Independent Directors, and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	Yes	None
8	Related Party Transactions: <p>(a) The listed entity has obtained prior approval of the Audit Committee for all Related party transactions; or</p>	NA	No RPT during the FY 22-23



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C O M P A N Y S E C R E T A R I E S

	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.		
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries 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 except as provided under separate paragraph herein (**).	Yes	None
12	No additional non-compliance was observed for any SEBI regulation/circulars/guidance note etc.	Yes	None

Place: Hyderabad
Date: 27th May 2023

For Puttaparthi Jagannatham & Co.
Company Secretaries

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CS Navajyothi Puttaparthi
Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896E000396986



Annexure – 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)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary #	Management Response @	Remarks
1	17	Regulation 17 (1), SEBI (LODR) 2015	The Company has received a mail dated 25.07.2022 from NSE Ltd for non-compliance. & a notice dated 22.08.2022 from NSE Ltd for non-compliance.	NSE	Clarification & Fine	Non-compliance with the Composition of the Board that Half of the Board is not Independent	5,36,900	Refer Note 1	Refer Note 1	NA
2	17	Regulation 17 (1), SEBI (LODR) 2015	The Company has received a mail dated 29.07.2022 from BSE Ltd	BSE	Clarification & Fine	Non-compliance with the requirements pertaining to the composition of the Board	5,36,900	Refer Note 1	Refer Note 1	NA



			to file a revised XBRL or give clarification & further a notice dated 22.08.2022 was received from BSE Ltd for non-compliance.			including failure to appoint non-executive director as Chairperson of the Board of Bharat Dynamics Ltd and the number of independent directors is 5 which is less than half of the BOD strength.				
3	23	Regulation 23(9) SEBI (LODR) 2015	The Company has received a mail dated 14.07.2022 from NSE Ltd and BSE Ltd to pay fine of Rs. 29,500/- each for the non-compliance.	BSE & NSE	Fine	Late Submission of related party transactions.	29,500	Refer Note 2	Refer Note 2	The delay was purely due to the non-availability of XBRL utility.
4	17	Regulation 17 (1), SEBI (LODR) 2015	The Company has received a mail dated 16.11.2022 from NSE Ltd for non-compliance.	NSE	Clarification & Fine	Non-compliance with the Composition of the Board Half of the Board is not Independent	4,48,400	Refer Note 1	Refer Note 1	NA



			& The Company has received a notice dated 21.11.2022 from NSE Ltd for non-compliance.							
5	17	Regulation 17 (1), SEBI (LODR) 2015	The Company has received a mail dated 04.11.2022 from BSE Ltd to File Revised XBRL or give clarification in this regard to BSE. & The Company has received a notice dated 21.11.2022 from BSE Ltd for non-compliance.	BSE	Clarification & Fine	Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint non-executive director as Chairperson of the Board of Bharat Dynamics Ltd and the number of independent directors is 5 which is less than half of the BOD strength.	4,48,400	Refer Note 1	Refer Note 1	NA



6	17	Regulation 17 (1), SEBI (LODR) 2015	The Company has received a mail dated 08.05.2023 from NSE Ltd for non-compliance.	NSE	Clarification	Non-compliance with the Composition of the Board Half of the Board is not Independent.	-	Refer Note 1	Refer Note 1	The Company have given a reply for the clarification.
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Observations/ Remarks of the Practicing Company Secretary:

- 1. 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).*
- 2. Fine was imposed upon the company by considering the date of submission of report in PDF mode, irrespective of the fact that the same shall be required to be submitted in XBRL mode only, for which XBRL utility was not provided by the stock exchanges in a timely manner.*

@ Management Response:

- 1. 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).*
- 2. As per the Regulation 23(9) of SEBI(LODR) regulation 2015 effective from 1st April 2022, read with BSE Notice No 20210906-31 & NSE circular No NSE/CML/2021/34 dated 6th September 2021 and BSE Notice No 2011019-25 and NSE Circular No. NSE/CML/2021/42 dated 19th October 2021, the Company is required to submit a report on related party transactions every six months within 15 days from the date of publication of its standalone and consolidated financial results in XBRL mode only. Since, the XBRL utility as per the*



new format was not made available by both NSE and BSE for filing within the prescribed period of 15 days after the publication of Company's Financial Results, the same could not be filed by the Company within the said period. However, by following better governance practice, as precautionary measure, the same was filed in PDF mode on 15th June 2022. However, NSE & BSE considered the submission of the report in PDF mode as delay in filing and imposed a fine of Rs 29500 each without considering the fact that the same shall require to be submitted in XBRL mode only for compliance.

Subsequently on release of XBRL Utility by the Stock Exchanges on 12th July 2022 the report was again filed in XBRL mode within the prescribed due date extended for the purpose.

Since there was no delay on the part of the Company in filing the Report in XBRL mode and since no instructions were passed for filing the Report in PDF mode, waiver application was filed with NSE (being designated stock exchange for the purpose). The fine was reversed by the NSE vide letter NSE/LIST-SOP/REG/REVERAL/0381 dated 5th April 2023.



Annexure - B

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

Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	17	17(1)(a) of SEBI (LODR)	The Company being one of the top 500 Listed Entity, it does not have atleast One Independent Woman Director till third quarter end.	BSE & NSE	Fine	Till the third quarter end, the Company did not meet the requirement under proviso to 17(1)(a) of the SEBI (LODR) Regulations.	43,07,000	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	The Government of India has appointed one Independent Woman Director on 27th December 2021 and accordingly the Company has complied with the 17(1) (a) of the LODR Regulations from fourth quarter onwards of FY 2021-22.	NA
2	17	17(1)(b) of SEBI (LODR)	During the period under review, the Company had a Executive Chairman and did not comply with	BSE & NSE	Fine	Till the third quarter end, the Company did not meet the requirement under proviso to 17(1) (b) of			The Government of India has appointed five new Independent Directors including One Independent Woman Director on the Board in December 2021. Furthermore, one	NA



			the requirement of half of the Board of Directors shall comprise of Independent Directors till third quarter end.			the SEBI (LODR) Regulations, where there is a requirement of Six Independent Directors on the Board.		remuneration, evaluation vests with the Government of India (GOI). However, the Company has complied with all the regulations as on date.	position of Independent Directors was filled up in February 2023. The composition of Board is fully complied with as on 31 st March 2023.	
3	17	17(2A) of SEBI (LODR)	The Company has no Independent Directors till the third quarter end; hence there were no independent directors present at the board meetings till third quarter end.	BSE & NSE	Fine	The Company did not meet the requirement of 17(2A) of SEBI (LODR) Regulations.	94,400		The Government of India has appointed five new Independent Directors including One Independent Woman Director on the Board in December 2021. Furthermore, one position of Independent Directors was filled up in February 2023. The composition of Board is fully complied with as on 31 st March 2023.	NA
4	18	18(1) (b) of SEBI (LODR)	There were no Independent Directors till the third quarter end to constitute an	BSE & NSE	Fine	The Company did not meet the requirement of Regulation 18(1) (b) of SEBI (LODR) Regulations.	13,07,440		The Company has complied with the 18(1) (b) of SEBI (LODR) Regulations on appointment of five new Independent Directors on the Board by Government of India	NA



			Independent Audit Committee.						from fourth quarter onwards of FY 2021-22.	
5	19	19(1) (a) and (b) of SEBI (LODR)	The Company does not have enough Non-executive directors to constitute the Nomination and Remuneration Committee till the third quarter end.	BSE & NSE	Fine	The Company did not meet the requirement of Regulation 19(1) (a) and (b) of SEBI (LODR) till the third quarter end.	13,07,440		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 of FY 2021-22.	NA
6	19	19(1)(c) of SEBI (LODR)	The Company does not have enough Non-executive directors to constitute the Nomination and Remuneration Committee till the third quarter end.	BSE & NSE	Fine	The Company did not meet the requirement of Regulation 19(1) (c) of SEBI (LODR) till the third quarter end.			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 of FY 2021-22.	NA
7	20	20(2)/(2A) of SEBI (LODR)	The Company has no Independent Director till the third quarter end to fulfill the	BSE & NSE	Fine	The Company did not meet the requirement of Regulation 20(2)/(2A) of SEBI (LODR) till	13,07,440		The Company has complied with the 20(2)/(2A) of SEBI (LODR) Regulations on appointment of five new Independent Directors on the Board	NA



			condition of at least one member as Independent Director in the Stakeholder Relationship Committee.			the third quarter end.			in the month of December 2021 by Government of India from fourth quarter onwards of FY 2021-22.	
8	21	21(2) of SEBI (LODR)	The Company has no Independent Director till the third quarter end to fulfill the condition of at least one member as Independent Director in the Risk Management Committee.	BSE & NSE	Fine	The Company did not meet the requirement of Regulation 21(2) of SEBI (LODR).	7,12,720		The Company has complied with the regulation 21(2) of SEBI (LODR) Regulations on appointment of five new Independent Directors on the Board in the month of December 2021 by Government of India from fourth quarter onwards of FY 2021-22.	NA



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 certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
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.

Place: Hyderabad
Date: 27th May 2023

For Puttaparthi Jagannatham & Co.
Company Secretaries

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CS Navajyoth Puttaparthi
Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896E000396986