



K N Nagesha Rao BCom, DSP, DEE, DBA, LLB, FCS, FCMA
Practising Company Secretary

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Secretarial Compliance Report of BEML Limited for the year ended 31st March 2021 *(Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015)*

I K N Nagesha Rao, Practising Company Secretary have examined:

- (a) all the documents and records made available to us and explanation provided by **BEML 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- (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;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;





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- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) other regulations as applicable and circulars/ guidelines issued thereunder;

and based on the above examination, I 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	Observations/ Remarks of the Practising Company Secretary
1	BEML Limited having a regular executive director as chairperson on its board, (a) the number of non-executive directors should be at least 50% of the total number of Directors on the Board and (b) the number of independent directors should be equivalent to at least half of the number of directors on the Board of Directors of the Listed Entity.	a) the number of non-executive directors as well as b) the strength of Independent Directors were less than 50% of the total strength of the Board of Directors of the Listed Entity. However, Upon retirement of one of its whole-time-directors on 31st January 2021, BEML could maintain the ratio of number of non-executive directors at 50% of total strength of Board of Directors.	Non-compliance of Regulation 17(1)(a) and Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015

(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 my 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:





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Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations remarks of the Practicing Company Secretary, if any.
1	a)	National Stock Exchange of India Limited (NSE) and BSE Limited sent periodic notices during the financial year levying fine for non compliance of Regulation 17(1)(a) and Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 namely,		
		i. composition of Board of Directors (the number of non-executive directors was less than 50% of the total number of Directors on the Board).		
		ii. non appointment of sufficient independent Directors such that half of the Board of Directors shall comprise of independent directors		
	b)	With regard to non-compliance of Regulation 17(1)(a) mentioned in clause (i) of above paragraph (a), till 30 th January 2021, the number of non-executive directors on the Board of the Listed Entity, BEML Limited, was less than 50% of the total strength of the Board of Directors. Upon retirement of one of its whole-time-directors on 31 st January 2021, BEML could maintain the ratio of number of non-executive directors at 50% of total strength of Board of Directors.		
	c)	On appointment of Independent Directors, BEML Limited informed both stock exchanges that the matter had been taken up with the Government of India and persistent follow-ups are being made for filling up the vacancies and that efforts are being made by the Government to fill up the vacancies.		
	d)	Further, at the request of BEML Limited made to both Stock Exchanges and as per records and information received by me,		
		i) BSE Limited has waived off the fine till 31st December 2020,		
		ii) NSE informed BEML Limited to seek waiver of penalty after complying with the compliance requirement under the above Regulation.		

(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 year end (The years are to be mentioned)	Actions taken by the Listed Entity, if any	Comments of the Practicing Company Secretary on the actions taken by the Listed Entity
				The observations for the Review Period are identical to those of previous year's namely Financial Year 2019-20.
				Till 30 th January 2021, the number of non-executive directors on the Board of the Listed Entity, BEML Limited, continued to be less than 50% of the total strength of the Board of Directors. Upon retirement of one of its whole-time-directors on 31 st January 2021, BEML could maintain the ratio of number of non-executive directors at 50% of total strength of Board of Directors.
				While so, the total number of independent directors was less than half of the total number of Directors on the Board.
				(contd...



(Handwritten signature)



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BEML Limited, being a Central Public Sector Undertaking and in pursuance to its Articles of Association has requested the Government of India to fill up the vacancies of Independent Directors to be compliant with the provisions of Regulations 17(1)(a) and 17(1)(b) of LODR) Regulations, 2015.

At the requests of BEML Limited made to both Stock Exchanges, to exonerate it from paying the penalty levied for the financial year 2019-20 and as per records supplied and information received by me,

- i) BSE Limited has waived off the fine levied during the financial year 2019-20,
- ii) NSE informed BEML Limited to seek waiver of penalty after complying with the compliance requirement under the above Regulation.

Note:

1. Provide the list of all the observations in the report for the previous year along with the actions taken by the Listed Entity on those observations.

2. Add the list of all observations in the reports pertaining to the periods prior to the previous year in case the entity has not taken sufficient steps to address the concerns raised/observations.

E.g. In the report for the year ended 31st Mar, 2021, the PCS shall provide a list of:

- all the observations in the report for the year ended 31st Mar, 2020 along with the actions taken by the Listed Entity on those observations.
- the observations in the reports pertaining to the year ended 31st Mar, 2020 and earlier, in case the entity has not taken sufficient steps to address the concerns raised/ observations in those reports.)



K N Nagesha Rao
Practising Company Secretary
FCS 3000 CP 12861

Place: Bengaluru
Date: 15th June, 2021
UDIN No. F003000C000469928
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