



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 2022 (Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015)

I) 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 2022** ("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");

II) 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;
- (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;

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III) and based on the above examination, I hereby report that, during the Review Period:

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 Practising Company Secretary
1	The Listed Entity BEM 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.	During the Financial Year till 23rd December 2021, the Company could not comply with Regulations 17(1)(a) and 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inasmuch as (i) the strength of Independent Directors as well as (ii) the number of non-executive directors was less than 50% of the total strength of the Board of Directors of the Company.	Noncompliance of Regulations 17(1)(a) and 17(1)(b) of SEBI (LODR) Regulations, 2015 <i>Effective from 24th December 2021 upon appointment of three Independent Directors by the Government the Company complied with the above statutory requirement.</i>
2	a) Certificate by the Chief Financial Officer to the effect that the quarterly financial results of the Company do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. b) Compliance Certificate by Chief Financial Officer under Regulation 17(8) of SEBI (LODR) Regulations, 2015	For a portion of the financial year namely from 9th April, 2021 to 31st March, 2022 the Company did not have a person appointed as Chief Financial Officer (CFO) required pursuant to the provisions of the Companies Act, 2013. Consequently, during the above period the Listed Entity could not - a) obtain the Certificates by CFO to certify quarterly financial results and b) obtain the Compliance Certificate from CFO.	a) Non-compliance of Regulation 33(2) of SEBI (LODR) Regulations, 2015 b) Non-compliance of Regulation 17(8) of SEBI (LODR) Regulations, 2015 <i>As per records produced by the Company the executive who held the additional charge of the post of Director (Finance) signed the certificates.</i>





- (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:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations remarks of the Practising 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) Till 24 th December 2021, the Listed Entity could not comply with the requirement of the aforesaid Regulations. With the appointment of three Independent Directors by the Government on 24 th December 2021, the Listed Entity became compliant with the said Regulations 17(1)(a) and 17 (1)(b).			
	c) Due to the above two non-compliances from quarter ended 30 th September 2018 upto 23 rd December 2021, an aggregate fine of Rs.150.10 lakhs was levied by the Stock Exchanges (SEs).			
	d) As per records supplied by the Listed Entity and information gathered by me, BSE waived off the fine for 37.76 lakhs upto quarter ended March 2020, whereas NSE informed that waiver of fine could be considered only after the Listed Entity ensure compliance.			
	e) Upon compliance of the requirement of the said Regulation 17(1)(a) and 17(1)(b), the Listed Entity submitted applications to BSE and NSE on 13 th January 2022 seeking waiver of fine levied; and the Listed Entity is awaiting replies from both Stock Exchanges.			

- (d) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

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Sr. No.	Observations of the Practising 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 Practising Company Secretary on the actions taken by the Listed Entity
1				

a) The observations for the Review Period are identical to those of previous Financial Year 2020-21, namely non-compliance of Regulation 17(1)(a) and Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015.

b) The Listed Entity, BEML Limited, being a Central Public Sector Undertaking in pursuance to its Articles of Association 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. With the appointment of three Independent Directors by the Government on 24th December 2021, the Listed Entity became compliant with the said Regulations 17(1)(a) and 17 (1)(b).

c) (i) Action taken by the Listed Entity to comply with the observations made in previous reports as well as (ii) the comments of the Practising Company Secretary can be taken as same as shown at Para III (c) above.

- (c) The reporting of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/ 2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" - **is not applicable** during the Review Period.

(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: 20th May, 2022
UDIN No. F003000D000354197
Peer Review Unique ID No.I2014KR1122000