



ANNEXURE – V

REPORT ON

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Philosophy of the Company in respect of Corporate Governance is to ensure transparency in all its operations, make appropriate disclosures, comply with the laws, maintain ethical standards and take care of the interest of all the stakeholders. In keeping with its professional approach, the Company is implementing the precepts of Corporate Governance in letter and spirit.

The Company's activities are monitored by several external agencies like Statutory Auditors, Comptroller and Auditor General of India, Central Vigilance Commission, Ministry of Defence (Department of Defence Production), etc.

Your Company is in compliance with the requirements of the Corporate Governance standards as stipulated under SEBI (Listing obligations and disclosure requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises-2010 (hereinafter referred to as 'DPE Guidelines').

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

In terms of the Companies Act, 2013, your Company is a 'Government Company' as 87.75% of the total paid up capital is being held by President of India.

As on 31 March 2020, the composition of the Board of Directors of the Company consists of Nine members viz. Four Whole Time Directors, including Chairman and Managing Director, two Part-time Official Directors (Government Nominee Directors) and three Part-time Non-Official Directors (Independent Directors).

b) Details of the Members of the Board during the year are as follows:

A)	Functional/Whole-Time Directors (Executive)	Designation
1)	Cmde.Siddharth Mishra (Retd.)	Chairman & Managing Director
2)	Shri.S.Piramanayagam	Director (Finance)& CFO
3)	Shri.N.P.Diwakar	Director (Technical)
4)	Shri.V.Gurudatta Prasad#	Director (Production)
5)	Shri.P.Radha Krishna#	Director (Production)
B)	Part-Time Official Directors (Non-Executive-Non independent)	
1)	Shri.Ashwani Kumar, Addl.FA & JS	Government Nominee Director
2)	Shri. M S R Prasad, DG (MSS) & DS	Government Nominee Director
C)	Part-time Non-Official Directors (Non-Executive-Independent)	
1)	Smt.Sushama V Dabak*	Independent Director
2)	Prof Ajay Pandey*	Independent Director
3)	Shri Ajay Nath	Independent Director
4)	Shri K S Sampath	Independent Director
5)	Smt. Latha Narasimhamurthy	Independent Director

#Vide Ministry of Defence, Government of India Letter No.DDP—M0001(11)/02/2018-D(BDL) dated 27 May, 2019, Shri. P. Radha Krishna has assumed the charge of Director (Production) of the Company with effect from 01 June, 2019 consequent to superannuation of Shri.V.Gurudatta Prasad.
*ceased to hold their office w.e.f 01 December 2019 on completion of their tenure on 30 November 2019.

c) Meetings of the Board and Attendance thereof; Number of other Boards or Board Committees in which Director is a Member or Chairperson

During the year 2019-20, Six (6) Board Meetings were held on 30/05/2019, 10/08/2019, 12/11/2019, 30/11/2019, 09/01/2020, 12/02/2020. The Board meets at least once in every three months and at least four such meetings shall be held every year. Required information is made available to the Board for its information/decision making. Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other Directorship/Committee Membership held by them during 2019-20 etc., are furnished as follows:



Directors	Board Meetings		Attendance At last AGM held on 27 Sep 2019	No. of other directorships held	Name of the Listed entities where Directors are on Board		No. of Committee membership across all companies	
	No. of Board Meetings held during respective tenure of Directors	No. of meetings attended			Name of the Listed Company	Category of Directorship	As Chairman	As Member
Functional Directors								
Cmde. Siddharth Mishra (Retd.)	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director & Chairman	-	-
Shri S Piramanayagam Director (Finance)& CFO	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director & CFO	-	1
Shri N.P.Diwakar Director (Technical)	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	2
Shri.V Gurudatta Prasad Director (Production) (upto 30/06/2019)	1	1	NA	Nil	Bharat Dynamics Ltd	Executive Director	-	2
Shri P. Radha Krishna Director (Production) (w.e.f 01/07/2019)	5	5	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	-
Government Nominee Directors								
Shri Ashwani Kumar, Addl. FA & JS.	6	4	No	1	Bharat Dynamics Ltd	Non-Executive Non Independent Director	-	-
					Garden Reach Ship Builders & Engineers Ltd	Non-Executive Non Independent Director		
Shri M S R Prasad, DG (MSS) & DS	6	4	No	1	Bharat Dynamics Ltd	Non-Executive Non Independent Director	-	-
Independent Directors								
Smt.Sushama V Dabak (upto 30/11/2019)	4	4	Yes	-	Bharat Dynamics Ltd	Non-Executive Independent Director	1	-
Prof Ajay Pandey (upto 30/11/2019)	4	3	No	-	Bharat Dynamics Ltd	Non-Executive Independent Director	-	1
Shri Ajay Nath	6	4	No	-	Bharat Dynamics Ltd	Non-Executive Independent Director	-	1
Shri K S Sampath	6	6	Yes	-	Bharat Dynamics Ltd	Non-Executive Independent Director	2	1
Smt Latha Narasimhamurthy	6	6	No	-	Bharat Dynamics Ltd	Non-Executive Independent Director	-	1
Note:								
(1) None of the Directors of the Company/Key Managerial Personnel had any pecuniary relationship with the Company during the year. None of the Directors are related to each other.								
(2) Directorship in Companies registered under the Companies Act, 2013, excluding directorships in private companies, foreign companies and companies under Section 8 of the Companies Act, 2013.								
(3) Pursuant to Regulation 26 of SEBI (LODR) Regulations 2015, the Chairmanship/Membership of Audit Committee and Stakeholders' relationship Committee are considered for the purpose of number of other Committees memberships across all Companies. No Director is a member in more than ten Committees or Chairman of more than five Committees across all companies in which he/she is a Director.								
(4) None of the Directors of the Company holds any shares and/or convertible instruments in the Company								
(5) The Company has received declarations on criteria of independence as prescribed in Section 149 (6) of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations from the Independent Directors of the Company as on March 31 2020								



d) Board Skills/Expertise/Competence:

Being a Central Government Public Sector Enterprise, the appointment, competence, tenure and remuneration of Directors are decided by the Government of India. The following are the list of coreskills/expertise/competencies of Directors identified by the Board as required under Listing Regulations in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills/expertise/competence
Knowledge – understand the Company’s business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates	Cmde Siddharth Mishra (Retd) Shri.S.Piramanayagam Shri.N.P.Diwakar Shri.P.Radhakrishna Shri.Ashwani Kumar Shri.MSR Prasad Shri.K.S.Sampath Shri.Ajay Nath Smt.Latha Narasimhamurthy
Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders	Cmde Siddharth Mishra (Retd) Shri.S.Piramanayagam Shri.N.P.Diwakar Shri.P.Radhakrishna Shri.Ashwani Kumar Shri.MSR Prasad Shri.K.S.Sampath Shri.Ajay Nath Smt.Latha Narasimhamurthy
Strategic thinking and decision making	Cmde Siddharth Mishra (Retd) Shri.S.Piramanayagam Shri.N.P.Diwakar Shri.P.Radhakrishna Shri.Ashwani Kumar Shri.MSR Prasad Shri.K.S.Sampath Shri.Ajay Nath Smt.Latha Narasimhamurthy
Financial expertise	Shri.S.Piramanayagam Shri.K.S.Sampath Shri.Ashwani Kumar
Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business such as Technical operations and knowledge on production, processing, quality etc.,	Cmde Siddharth Mishra (Retd) Shri.N.P.Diwakar Shri.P.Radhakrishna Shri.MSR Prasad

e) Review of Compliance of Laws: The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2019-20. There was no significant or material order passed during the year by any regulator or court or tribunal impacting the going concern status and Company’s operations in future.

f) Familiarization/Training of Board Members: In terms of Regulation 25(7) of the Listing Regulations, Para 3.7 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, a ‘Policy on Familiarization / Training Programmes to Board Members’ was formulated and approved by the Board of Directors. As per the terms of the said policy, the Board members including Independent Directors are provided with the familiarization programmes on their roles, rights, responsibilities, nature of industry, Company’s business model, procedures and practices and also provided with necessary documents and reports to keep the Directors abreast of the necessary information relating to the Company. Further, the Board members participate in various training programmes on corporate governance and other Board related topics from time to time. The details of familiarization programmes imparted to the Independent Directors during the year 2019-20 are placed in the website of the Company and can be accessed at www.bdl-india.in/investors.



3. MANDATORY COMMITTEES OF THE BOARD:

The Company has the following five (5) mandatory Committees of the Board functioning as on 31 March 2020:

- A) Audit Committee
- B) Nomination and Remuneration Committee
- C) Stakeholders Relationship Committee
- D) CSR & SD Committee.
- E) Risk Management Committee

Minutes of the Meeting of the Committees are being placed before the Board Meeting held immediately after the committee meetings for noting by the Board. Decisions are being taken by the Committees by majority/unanimous

A) AUDIT COMMITTEE:

I) Terms of Reference

The Audit Committee complies with the terms of reference as enumerated under the applicable provisions under the Companies Act, 2013, Listing Regulations, DPE Guidelines as amended from time to time. Some of the important functions performed by the Audit Committee are as follows:-

- 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;
- recommendation to the Board for fixation of remuneration to the auditors;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to with particular reference as stated in Schedule II Part C of SEBI (LODR) Regulations 2015:
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequently modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company wherever it is necessary;
- reviewing with the management, the performance of the Statutory Auditors and Internal Auditors, adequacy of the internal control systems
- evaluation of internal financial controls and risk management systems
- appointment and removal of Internal Auditors and determining the scope of Internal Audit in consultation with the internal auditors
- 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;
- discussion with internal auditors and/or auditors of any significant findings and follow up thereon;
- 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;
- review observations of statutory, internal and government auditors and provide recommendations based on the same;
- to review the follow up action on the audit observations of the C&AG audit
- 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;
- to look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors).
- to review the functioning of the whistle blower mechanism
- to review the follow up action taken on the recommendations of the Committee on Public Undertakings (COPU) of the Parliament.
- to review cases of procurement from a single source.
- to review 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.

II) Composition and details of the Members and their attendance:

During the year, seven (7) meetings of the Audit Committee were held on 30/05/2019, 18/06/2019, 10/08/2019, 31/10/2019, 12/11/2019, 09/01/2020 and 12/02/2020. The composition and the details of attendance of Members for the said Meetings are as follows:



S.No	Name of the Member	Category	No. of Meetings held during the tenure of the respective member	No. of Meetings Attended
1	Smt.Sushama V Dabak, Chairperson (upto 30/11/2019)	Non-Executive Independent Director	5	5
2	Shri KS Sampath Chairman (w.e.f. 09/01/2020)	Non-Executive Independent Director	7	7
3	Prof Ajay Pandey, Member (upto 30/11/2019)	Non-Executive Independent Director	5	3
4	Shri V Gurudatta Prasad Member (upto 31/05/2019)	Executive Director	1	1
5	Shri N.P Diwakar Member (w.e.f 01/06/2019)	Executive Director	6	6
6	Shri Ajay Nath Member	Non-Executive Independent Director	7	4
7	Smt.Latha Narasimhamurthy Member	Non-Executive Independent Director	7	6

III) Functional Directors are invited as Permanent Special Invitees and representatives of Statutory Auditor and external Chartered Accountant Firms doing Internal Audit Work may attend by invitation. The Company Secretary acts as the Secretary of the Audit Committee. The Chairperson of the Audit Committee attended the 49th Annual General Meeting of the Company.

B) NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions under Section 178(1) of the Companies Act, 2013 and Reg.19 of the Listing Regulations, a Committee by the nomenclature "Nomination and Remuneration Committee" was reconstituted on 18 September 2017 by virtue of induction of new Independent Directors on the Board.

I) Terms of reference

The terms of reference of the Committee is as follows:

- To identify persons who may be appointed in senior management (i.e., Executive Director) in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees.
- To recommend all remuneration payable to Senior Management (i.e. Members of Management one level below CEO/ MD/WTD/Manager Incl. CEO/Manager, if not part of Board of Directors)
- Decide on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives.
- Formulation and modification of schemes for providing perks and allowances for Executives.
- Any new scheme of compensation to Executives and Non-Executives as the case may be
- Exercising such other roles as maybe assigned to it by the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other law and their amendments from time to time

II) Composition and details of the Members and their attendance:

The composition of the Nomination and Remuneration Committee is in line with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. During the year, three (3) meetings of the Nomination and Remuneration Committee were held on 30/05/2019, 09/01/2020 and 12/02/2020. The Composition of the Committee during the year 2019-20 and details of the Members participation at the Meeting of said committee are as follows:

S.No	Name of the Member	Category	No. of Meetings held during the tenure of the respective member	No. of Meetings Attended
1	Prof Ajay Pandey Chairman (upto 30/11/2019)	Non-Executive Independent Director	1	1
2	Smt.Lata Narasimha Murthy Chairperson (w.e.f. 09/01/2020)	Non-Executive Independent Director	3	3
3	Smt.Sushama V Dabak, Member(upto 30/11/2019)	Non-Executive Independent Director	1	1
4	Shri Ashwani Kumar Member	Non-Executive Non-Independent Director	3	3
5	Shri Ajay Nath Member	Non-Executive Independent Director	3	2
6	Shri KS Sampath Member	Non-Executive Independent Director	3	3

III) Remuneration Policy /Details of Remuneration to all Directors:

- a. Being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the Government of India. The Government letter appointing the Chairman & Managing Director and other functional directors indicates the detailed terms and conditions of their appointment, including the period of appointment, basic pay, scale of pay, dearness allowance etc., and it also indicates that in respect of other terms and conditions not covered in the letter, the relevant rules of the Company shall apply.
- b. Chairman and Managing Director and other Functional Directors are appointed by the Government initially for a period of 5 years from the date of appointment or upto the date of superannuation of the individual or until further orders of the Government, whichever is the earliest. Depending on the age and performance and on meeting other stipulated conditions the initial period is extendable for a further period upto 5 years or upto the date of superannuation, whichever is earlier. The Part-time Official Directors (i.e. Government Nominee Directors) are generally from the Administrative Ministry and their term is co-terminus with the term of the respective position held by them in Government at the time of appointment on the Company's Board or until further orders. The Part-time Non-Official Directors (i.e. Independent Directors) are appointed for a period of 3 years or until further orders whichever is earlier.
- c. For details of the remuneration of Functional Directors paid during the year 2019-20 please refer to extract of annual return.
- d. Part-time Official Directors (i.e. Government Nominee Directors) will not be paid any remuneration. They are also not paid sitting fee for attending Board/Committee meetings.
- e. The Board at its meeting held on 22/11/2013 enhanced the sitting fees payable to the Independent Directors to ₹ 20,000/- per sitting for attending the Board Meetings and retained the sitting fee of ₹ 10,000/- per sitting payable in respect of Board Level Committee Meetings. During the year, the company has reviewed the sitting fee to be paid to the independent directors and the same is in compliance with the DPE OM No.F.No.9(23)/2014-MGMT dated 16/12/2019. For the details of sitting fee paid to the Independent Directors, please refer to extract of annual return.
- f. Stock Options: - The Company has no Stock Option plans/schemes approved by the Board/Shareholders.
- g. The provisions of Section 134(3)(p) of the Companies Act, 2013 and Reg.17 & 19 of listing regulations relating to evaluation of Board of Directors do not apply to your Company since necessary exemptions are provided to all government companies. Further, similar exemptions were granted to your Company by Securities Exchange Board of India (SEBI) under the provisions of SEBI (Listing Obligations and Disclosure Requirements {LODR}) Regulations, 2015 vide their letter No. SEBI/HO/CFD/DIL1/OW/P/2018/1679/1 dated 17/01/2018.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders' Relationship Committee is in line with section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations 2015. During the year, one(1) Meeting was held on 12/02/2020.

I) Terms of reference

- to consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
- To review measures for effective exercise of voting rights.
- To review adherence to services being rendered by RTA.
- To review initiatives taken by Company for reducing unclaimed dividends
- To review and ensure timely receipt of Dividend Warrants/ Annual Reports/ Notices.

II) The Composition of the Committee during the year 2019-20 and details of the Members participation at the Meeting of said committee are as follows:

S.No	Name of the Member	Category	No. of Meetings held during the tenure of the respective member	No. of Meetings Attended
1	Shri. K S Sampath Chairman	Non-Executive Independent Director	1	1
2	Shri. S. Piramanayagam Member	Executive Director	1	1
3	Shri V Gurudatta Prasad Member (upto 31/05/2019)	Executive Director	-	-
4	Shri N.P Diwakar Member (w.e.f 01/06/2019)	Executive Director	1	1

- III) The Company has appointed Shri.N.Nagaraja, Company Secretary as Compliance Officer of the Company and provided an exclusive e-mail ID investors@bdl-india.in to enable investors for on-line registration of their complaints. The Company endeavor to reply to the complaints within a period of 3 working days. In terms of Regulation 46(2)(j&k) of the Listing Regulations, the name and designation of Compliance Officer and other relevant details are placed on the Company's web-site www.bdl-india.in. Further, M/s.Alankit Assignments Ltd., the Share Transfer Agent of the Company (STA), is authorized to monitor the on-line complaints placed on SEBI Complaints Redress System (SCORES).



- IV) In terms of Regulation 13(4) of the Listing Regulations, a quarterly statement on investor complaints received and redressal thereof, as submitted with BSE and NSE, are placed before the Board for information. Accordingly, the status of total investor complaints and redressal thereon during the year are as follows:

No. of complaints pending beginning of the year:	0
No. of complaints received during the year:	55
No. of complaints resolved during the year:	55
No. of complaints pending resolved at the end of the year:	0

D) CSR & SD COMMITTEE:

I) Terms of reference:

The following are the terms of reference of the Corporate Social Responsibility & Sustainability Development Committee:

- To recommend CSR and Sustainability Development policy to the Board.
- To recommend plan of action and projects to be initiated in the short, medium and long term for CSR and Sustainability development.
- To recommend the Annual CSR and Sustainability Development Plan and Budget.
- Periodic review of CSR & Sustainability Development policy, plan and budgets

- II) During the year three (3) meetings were held on 30/05/2019, 31/10/2019 and 12/02/2020. The Composition of the Committee during the year 2019-20 and details of the Members participation at the meeting of said committee are as follows:

S.No	Name of the Member	Category	No. of Meetings held during the tenure of the respective member	No. of Meetings Attended
1	Shri Ajaynath Chairman	Non-Executive Independent Director	3	3
2	Smt.Sushama V Dabak, Member (upto 30/11/2019)	Non-Executive Independent Director	2	2
3	Prof Ajay Pandey Member (upto 30/11/2019)	Non-Executive Independent Director	2	1
4	Shri K S Sampath Member	Non-Executive Independent Director	3	3
5	Smt Latha Narasimhamurthy Member	Non-Executive Independent Director	3	3
6	Shri.S.Piramanayagam Member	Executive Director	3	3
7	Shri.V. Gurudatta Prasad Member (upto 31/05/2019)	Executive Director	1	1
8	Shri N.P Diwakar Member (w.e.f 01/06/2019)	Executive Director	2	2

E) RISK MANAGEMENT COMMITTEE:

By virtue of amendments in SEBI (LODR) Regulations, the Board has constituted Risk Management Committee on 31 October 2018 in line with provisions of section 178(1) of the Companies Act, 2013 and Regulation 21 of the Listing Regulations.

I) Terms of reference

The terms of reference of the Committee is as follows:

- To review and assess the quality, integrity and effectiveness of the Risk Management Systems, especially Cyber Security measures taken up by the Company and ensure that the risk policies and strategies are effectively managed.
- To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- To assist the Board in setting Risk strategies, policies, frameworks, models and procedures.
- To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the Scope of risk management work.
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure the potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk.
- To identify additional risks, if any and decide risk mitigation plans including risk acceptance.

- II) The composition of the Committee is in line with Regulation 21 of SEBI (LODR) Regulations, 2015. During the year, one (1) meeting of the Committee was held on 30/11/2019. The Composition of the Committee during the year 2019-20 and details of the Members participation at the Meeting of said committee is as follows:

S.No	Name of the Member	Category	No. of Meetings held during the tenure of the respective member	No. of Meetings Attended
1	Shri. S Piramanayagam Chairman	Executive Director	3	3
2	Shri. N.P. Diwakar Member	Executive Director	1	1
3	Shri. P.Radha Krishna Member	Executive Director	1	1
4	Shri. Ajay Nath Member (upto 30/11/2019)	Non-Executive Independent Director	1	1
Note The Chairman of Corporate Risk Management Committee and Chief Risk Manager are also Members of the Committee				

4) **NON-MANDATORY COMMITTEES OF THE BOARD:**

The following are the non-mandatory Committees of the Board

A) **PROCUREMENT COMMITTEE:**

The Committee was constituted by the Board on 29/07/2011 to review and sanction new Projects (including R&D Projects) beyond the powers of CMD and upto a maximum limit of ₹ 25 Crore in each case and shall also approve procurement proposals which are beyond the powers of CMD but within the powers of the Board. Procurement Committee is empowered to review and sanction for placement of Purchase Orders/Award of Contracts as per the limits given below:

Basis	Capital Nature	Revenue nature
Single Tender/Nomination & Proprietary Cases	Upto ₹ 30 Crore	Upto ₹ 30 Crore
Other than Single Tender Cases	Upto ₹ 60 Crore	Upto ₹ 60 Crore
Other than Single Tender (works)	Upto ₹ 100 Crore	Upto ₹ 100 Crore

The Company reconstituted the Committee with Chairman & Managing Director as Chairman of the Committee and other Functional Directors as Members of the Committee. The Committee met five times during the year on 21/06/2019, 19/07/2019, 21/10/2019, 24/12/2019 and 23/01/2020.

B) **INDEPENDENT DIRECTORS MEETING**

In terms of the provisions under the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Independent Directors met on 11/11/2020 and reviewed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties. All Independent Directors have attended the meeting. The Minutes of the said Meetings are being placed in the subsequent Board Meetings.

5) **GENERAL BODY MEETINGS:**

All the Annual General Meetings of the Company were held where the Registered Office of the Company is located. The details of such meetings for the last three years are as follows:

AGM No.	Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting	No. of Special Resolutions
49	2018-19	27 Sep 2019	15:30 hrs	Hotel Sheraton, Nanakramguda, Hyderabad	2
48	2017-18	27 Sep 2018	15:00 hrs	Hotel Sheraton, Nanakramguda, Hyderabad	Nil
47	2016-17	26 Sep 2017	12:00 hrs	Registered Office, Hyderabad	Nil

No special resolution was put through postal ballot during the year under review.

6) **DISCLOSURES:**

- The Company has no subsidiaries, Joint Ventures and Associate Companies as on 31/03/2020
- During the year 2019-20 the Company has not entered into any transaction with the Directors that may have potential conflict with the interest of the Company at large. The members of the Board, apart from receiving Remuneration (wherever applicable), do not have any material pecuniary relationship or transaction with the Company which, in the Judgment of the Board, may affect independence of judgment of the Directors. The Company has formulated a "Policy on Related Party Transactions" to regulate transactions entered into between the Company and its related parties. In terms of Regulation 46(2)(g) of the Listing Regulations, the said policy is placed on the web-site of the Company at www.bdl-india.in.



- c) During the year, in terms of regulation 17(1) of the listing regulations, the Company did not comply with the requirement of fifty percent of Independent Directors on the Board. Accordingly, as per SEBI Circular No.SEBI/HO/CFD/CIR/P/2018/77 dated May 3, 2018, the stock exchanges (i.e. BSE & NSE) had levied fine on the Company for the quarter ended 30/06/2019, 30/09/2019, 31/12/2019. Apart from this, there were no cases of non-compliance by the Company and no Penalties/Strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital market and any guidelines issued by the Government during the last three years.
- d) **Whistle Blower Mechanism/ Vigil Mechanism:**
The guidelines of Corporate Governance for CPSEs 2010 issued by DPE and provisions of section 177 of the Companies Act, 2013 have been complied with. The Whistle Blower Policy of the Company, inter alia, contains a provision enabling any person to approach the Chairman of the Audit Committee. However, during the year under report, no personnel was denied access to the members of the Audit Committee or its Chairman.
- e) All the applicable Accounting Standards are followed except IND-AS-108 relating to Segment reporting keeping in view the nature of business and the sensitive nature of the disclosure. However, such non-disclosure does not have any financial effect on the accounts of the Company. Necessary disclosure is being made in Notes forming part of Accounts in this regard.
- f) There were no items of expenditure debited in the books of account, which are not for the purpose of the business.
- g) The Company has not incurred any expenditure which is personal in nature for the Board of Directors and Top management.
- h) Details of Administrative and Office Expenses as a percentage of total expenses vis-a-vis financial expenses are furnished below: (₹ in Crore)

Sl. No.	Particulars	2019-20	2018-19
1	Total Expenditure (other than Materials)	928.75	880.87
2	Administrative & Office Expenses	15.78	13.71
3	Percentage of (2) on (1)	1.70%	1.56%

i) **Presidential Directives and Guidelines**

The Company has been following the Presidential Directives and guidelines issued by the Govt. of India from time to time regarding reservation for SCs, STs and OBCs in letter and spirit. Officials dealing with the subject were provided necessary training to enable them to update their knowledge on the subject and perform the job effectively.

BDL has implemented the Presidential Directives issued by the Government of India regarding implementation of Executives Pay revision from 01 January 2017.

7) **MEANS OF COMMUNICATION:**

The Company's communication system with its Shareholders, Directors and other stakeholders is through all means of communication channels including correspondence and the official website (www.bdl-india.in) of the Company. The Company website provides comprehensive information including the details of business, Company's Products, Management, vision, mission, human resources, corporate social responsibility and sustainability, details of Tenders, E-procurement, vigilance, RTI, and other updates and news. The section on 'Investors' informs the shareholders/ investors, details about the investor grievance redressal system, presentations made to investors/analysts, Company's code and policies, financial results and annual reports, corporate governance, shareholding pattern including contact details of Share Transfer Agent and other material events or information relating to the Company.

In terms of Listing Regulations, the Quarterly, Half-yearly and Annual financial results of the Company are submitted to NSE and BSE through online platform immediately after the same are approved by the Board. Further, the said results are simultaneously posted on the Company's website www.bdl-india.in. Further, the financial results of the Company are published in English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in Telugu, being the regional language and in Hindi, being the National language. The performance of the Company is communicated to Administrative Ministry every month.

8) **GENERAL SHAREHOLDER INFORMATION**

- (a) The 50th Annual General Meeting for the year 2019-20 is scheduled on Monday, 28 September 2020 at 15.00 hours.
- (b) Financial year of the Company begins on April 1 and ends on March 31. The tentative calendar for declaration of results for 2020-21 is given as below:

For the quarter ending 30.06.2020	On or before 15/09/2020
For the quarter ending 30.09.2020	On or before 14/11/2020
For the quarter ending 31.12.2020	On or before 14/02/2021
For the year ending 31.03.2021	On or before 30/05/2021
51th Annual General Meeting	On or before 30/09/2021

- (c) The Register of Members and Share Transfer Books shall remain closed from 22/09/2020 to 28/09/2020 (both days inclusive).



- (d) Your Board of Directors has recommended final dividend of ₹ 2.55 per share, i.e., 25.50% on the equity shares of ₹ 10/- each (par value) for the year ended 31/03/2020. Dividend, if approved at the 50th Annual General Meeting, will be distributed among the share holders within the due date.

- (e) Company's equity shares are listed on the following stock exchanges:

The BSE Ltd ('BSE') P.J.Towers, 26th Floor, Dalal Street, MUMBAI - 400 001	National Stock Exchange of India Ltd ('NSE') Exchange Plaza, Bandra-Kurla Complex Bandra (East), MUMBAI - 400 051
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The Company has paid listing fees for the financial years 2019-20 and 2020-21 to both the stock exchanges.

- (f) The Stock Code assigned to the Company's equity shares by the respective Stock Exchanges and the ISIN number assigned by the Depositories for demat trade of the Company's equity shares are given below:

Stock Exchange	Stock Code
BSE	541143
NSE	BDL
ISIN	INE171Z01018
MCA CIN	L24292TG1970GOI001353

- (g) **Reconciliation of share capital audit**

The Company obtains a Reconciliation of Share Capital Audit Report from a Practising Company Secretary every quarter to reconcile the total admitted capital with the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. This Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This Audit Report is forwarded to BSE and NSE where shares are listed.

The Company also obtains a Certificate of Compliance from a Practising Company Secretary at half-yearly intervals certifying that transfer requests complete in all respects have been processed and share certificates with transfer endorsements have been issued by the Company within in 15 days from the date of lodgment thereof. This Certificate of Compliance is forwarded to BSE and NSE where shares are listed.

The Company has paid annual custody fees for the financial year 2020-21 to both the Depositories, viz, NSDL and CDSL.

- (h) **Market Price Data**

The details of high/low market prices of the shares of the Company at BSE Ltd and National Stock Exchange of India Ltd (NSE) are as under:

- i) BDL Share Price on BSE vis-a-vis BSE Sensex & BSE PSU during 2019-2020 is as follows:

BSE

Month	BSE Sensex Close	BSEPSUClose	BDL Share Price			No. of Shares traded	Turnover (₹ in lakhs)
			High	Low	Close		
			₹	₹	₹		
April, 2019	39031.55	7446.22	321.15	277.05	277.85	1125900	3302.23
May, 2019	39714.20	7825.82	339	255	296.8	175081	527.47
June, 2019	39394.64	7832.33	341.85	281.85	339.95	214827	680.59
July, 2019	37481.12	6967.88	344.65	290	293.65	139758	439.62
August, 2019	37332.79	6348.92	302.65	261.05	279.65	48291	139.09
September, 2019	38667.33	6659.26	325	270.7	295.9	117599	353.46
October, 2019	40129.05	7190.87	348.6	276	328.7	103797	318.72
November, 2019	40793.81	7072.7	365	317	333.4	259512	895.31
December, 2019	41253.74	6955.57	342	281.5	294.5	138700	414.89
January, 2020	40723.49	6567.11	332	288.5	290.1	195637	606.34
February, 2020	38297.29	5880.65	322.35	260.1	274.35	346303	1018.51
March, 2020	29468.49	4460.07	285.85	147	185.35	233929	499.95



A comparison of closing quotation of the Company's share price on BSE with the closing position of BSE SENSEX & BSE-PSUs during the year 2019-20 is presented in the following graph:



ii) BDL Share Price on NSE vis-a-vis NSE Nifty & NSE PSE during 2019-2020 is as follows:

NSE

Month	NSE Nifty Close	NIFTY-PSE Close	BDL Share Price			No. of Shares traded	Turnover (Rs. in lakhs)
			High ₹	Low ₹	Close ₹		
April, 2019	11748.15	3557.10	320.9	277	278.3	2297764	6935.10
May, 2019	11922.80	3654.65	340.9	250.65	298.75	1246083	3770.46
June, 2019	11788.85	3657.25	341.9	281.5	339.75	2407880	7666.15
July, 2019	11118.00	3222.05	345	289	294	1098770	3484.90
August, 2019	11023.25	3028.95	304	262.2	280	473585	1363.80
September, 2019	11474.45	3243.70	324.8	270.15	295.9	1178585	3583.36
October, 2019	11877.45	3449.05	348	277	328.35	989746	3079.34
November, 2019	12056.05	3261.60	364.8	315.25	333.35	2383750	8228.08
December, 2019	12168.45	3226.60	342.1	282.1	294.45	1404572	4195.17
January, 2020	11962.10	3013.45	332	288.25	290.25	2458630	7660.66
February, 2020	11201.75	2716.30	323.9	260.1	274.15	3394654	10007.57
March, 2020	8597.75	2214.15	286	145.3	185.15	1788444	3895.15

A comparison of closing quotation of the Company's share price on NSE with the closing position of NSE NIFTY & NIFTY-PSE during the year 2019-20 is presented in the following graph:





(i) **Registrar & Share Transfer Agent**

Alankit Assignments Ltd., Delhi, a SEBI registered Category I Registrar and Share Transfer Agent is the Company's Registrar and Share Transfer Agent. The RTA's address is given below to forward all share transfer/transmission/split/consolidation/issue of duplicate certificates/change of address requests as well as all dematerialization/dematerialization requests and related matters as well as all dividend related queries and complaints:

Alankit Assignments Limited

SEBI Registration Number: INR000002532

Address: -4E/2 Jhandewalan Extension, New Delhi-110055

Telephone: +91 11 42541234; Facsimile: +91 11 41543474

Email: rta@alankit.com; Website: www.alankit.com

(j) **Share Transfer System**

With respect to shares transferred in electronic form, after confirmation of sale/purchase transaction from the broker, shareholders should approach their respective depository participant (DP) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to either the Company or STA. For matters regarding shares transferred in physical form, share certificates etc, the shareholders should communicate with the STA/Company.

(k) **Distribution of shareholding as on 31 March 2020**

Category	No. of shareholders	%	Shares	%	Physical		Demat	
					No. of shareholders	Shares	No. of shareholders	Shares
1-500	106775	99.02	6229424	3.40	2	88	106773	6229336
501-1000	614	0.57	469461	0.26	0	0	614	469461
1001-2000	199	0.18	288453	0.16	0	0	199	288453
2001-3000	85	0.08	216258	0.12	0	0	85	216258
3001-4000	34	0.03	119558	0.07	0	0	34	119558
4001-5000	24	0.02	114637	0.06	0	0	24	114637
5001-10000	45	0.04	325057	0.18	0	0	45	325057
10001 & above	52	0.05	175518402	95.76	0	0	52	175518402
Total	107828	100.00	183281250	100.00	2	88	107826	183281162

(l) **Dematerialization of Shares**

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on 31 March 2020, the number of equity shares in electronic form and physical form is as follows:

S.No	Particulars	No. of Shares	%
1	NSDL	180401125	98.4
2	CDSL	2880037	1.6
3	Physical	88	0
	Total	183281250	100

(m) **Outstanding GDRs/ADRs/Warrants**

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments

(n) **Commodity price/Foreign exchange risk and hedging activities**

Relevant information in this regard is disclosed in the Notes to Financial Statements

(o) **Plant Locations**

Bharat Dynamics Limited Kanchanbagh Hyderabad-500058 Phone: (040)-24587002 ; Fax : (040)-24347513	
Bharat Dynamics Limited, Bhanur, Patancheruvu Mandal, Sanga Reddy District Telangana-502305 Phone: (040)-23469551; Fax : (040)-23469552	Bharat Dynamics Limited, Vizag "G"- Block, APIIC-IALA VSEZ post, Vishakapatnam-530049 Phone : (0891)- 2821500 Fax : (0891)- 2821502



(p) **Address for Correspondence/Corporate Office**
Bharat Dynamics Limited
CIN: L24292TG1970GOI001353
Corporate Office, Plot No.38-39, TSFC Building,
Financial District, Gachibowli, Hyderabad-500 032
Telephone: (040) 23456145; Fax: (040) 23456110
E-mail :investors@bdl-india.in
Website : www.bdl-india.in

(q) **Credit Rating**
The Company has obtained 'A1+'(Reaffirmed) rating from M/s. CRISIL for short-term bank facilities for an amount of ₹ 410 Crores.

9) DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year 2019-20, the Company has not received any Sexual harassment complaints and further there are no pending complaints as on 31 March 2020.

10) DETAILS OF NON-COMPLIANCES

During the year, in terms of regulation 17(1) of the listing regulations, the Company did not comply with the requirement of fifty percent of Independent Directors on the Board. Accordingly, as per SEBI Circular No.SEBI/HO/CFD/CIR/P/2018/77 dated May 3, 2018, the stock exchanges (i.e. BSE & NSE) had levied fine on the Company for the quarter ended 30 June 2019, 30 September, 2019, 31 December 2019. However, the Company has informed that 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 remuneration, evaluation vests with the Government of India and as such they should not be held liable to pay the fine.

11) COMPLIANCE WITH NON-MANDATORY PROVISIONS

The status on the compliance with the non-mandatory recommendation in the SEBI (LODR)Regulations, 2015 is as under:

- The Company has the position of Chairman & Managing Director (Executive) and there is no Non-Executive Chairman.
- The financial statements of the Company are disclosed with unmodified audit opinion.
- Process of communicating with shareholders is effective and the procedure has been explained under "Means of Communication"
- The Additional General Manager (Internal Audit)administratively reports to Director (Finance) & CFO and is an invitee to the meetings of audit committee.

12) CODE FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE

In accordance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has put in place a Code of Conduct and Disclosure Procedure to prevent insider trading in the Company's securities and for transparent/streamlined disclosure/dissemination of information to the investors/ public. The connected persons as defined under the Code should obtain permission from the Competent Authority to deal in securities during the trading window beyond the specified limits. Periodical disclosures are also required to be made as provided under the Code to prevent the instance of insider trading. The Code of Conduct and Fair Disclosure Procedure has been posted in the Company's website www.bdl-india.in. The said Code has been revised with the recent amendments in the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 which was effective from 01 April 2019.

13) CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES:

A Code of Conduct and Business Ethics as suggested by DPE in its Guidelines on Corporate Governance for CPSEs 2010 and under regulation 17(5) of SEBI (LODR) Regulations 2015 has been adopted by the Company in respect of its Directors and Senior Level Executives.The Code has also been posted on the Company's website.The Directors and the Senior Executives have given declarations affirming the compliance with the code of conduct during the year 2019-20.A declaration to this effect by the Chairman & Managing Director is given below:

14) DECLARATION BY CHAIRMAN & MANAGING DIRECTOR:

It is hereby declared that all Board Members and Senior Management Personnel affirmed compliance with "The Code of Business Conduct & Ethics for Board Members and Senior Management of Bharat Dynamics Limited" for the year ended 31 March 2020.

For and on behalf of the Board

Date : 29.06.2020
Place: Hyderabad

Cmde. Siddharth Mishra (Retd.)
Chairman and Managing Director
DIN: 08367035