



नेशनल फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

कॉरपोरेट कार्यालय : ए-11, सैक्टर-24, नोएडा - 201301

जिला गौतम बुद्ध नगर (उ.प्र.),

दूरभाष : 0120 2012294, 2412445, फैक्स : 0120-2412397



NATIONAL FERTILIZERS LIMITED

(A Govt. Of India Undertaking)

Corporate Office : A-11, Sector-24, Noida-201301,

Distt. Gautam Budh Nagar (U.P.)

Ph.: 0120-2412294, 2412445, Fax : 0120-2412397

Ref No. NFL/SEC/SE/1650

Dated: 15.07.2020

Manager (Listing), National Stock Exchange Limited, Registered Office (Exchange Plaza), C-1, Block-G, BandraKurla Complex, Bandra (E), Mumbai-400051.	General Manager, Department of Corporate Services, BSE Limited, Floor 25th, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
NSE SYMBOL: NFL	BSE SCRIP CODE: 523630

Sub: Annual Secretarial Compliance Report for the year ended 31st March, 2020 as per Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019.

Dear Sir,

In terms of Clause 3 (b) (iii) of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, we submit herewith the Annual Secretarial Compliance Report of the Company for the year ended 31st March, 2020, issued by M/s. Parveen Rastogi & Co., Practicing Company Secretaries.

Kindly take the same on record.

Thanking You,

**Yours faithfully,
For National Fertilizers Limited**

(Handwritten signature and date)
15/07/2020

**(Ashok Jha)
Company Secretary**

Encl: As above



Parveen Rastogi & Co.

Company Secretary

SECRETARIAL COMPLIANCE REPORT OF M/S NATIONAL FERTILIZERS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

I, Parveen Kumar Rastogi, Proprietor of M/s Parveen Rastogi & Co. have examined:

- All the documents and records made available to me and explanation provided by M/s National Fertilizers Limited (NFL). ("the listed entity"),
- The filings/ submissions made by the listed entity to the stock exchanges viz. NSE & BSE.
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- 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:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **{Not Applicable to the Company during the Reporting Period}**



Head off. : Flat No.3, Sood Building, Teil Mill Marg, Ram Nagar, Paharganj, New Deli-11005
Branch Off. : C5-54 & 55, 1st Floor, Ansal Plaza, Vaishali, Ghaziabad-201010
: Shop No. 5-6, Satyam Plaza, Plot No-4, Block-B & E, Dilshad Garden, North East Delhi-110093
(O) : 0120-4323445, Mobile : 98112-13445, E-mail : rastogifcs3@hotmail.com, rastogifcs3@gmail.com
Web. : csparveenrastogi.com

- 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; **{Not Applicable to the Company during the Reporting Period}**
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **{Not Applicable to the Company during the Reporting Period}**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **{Applicable to the extent of issuance of Commercial Paper by the Company}**.
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- i) SEBI (Delisting of Equity Shares) Regulations, 2009 **{Not Applicable to the Company during the Report Period}**
- j) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- k) 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 there under, except in respect of matter specified below:-

Sr. No	Compliance Requirement(Regulations/ circulars/guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
01	Regulation 17 (1) (b) of the Securities and Exchange Board of India(Listing Obligations and Disclosure	The number of Independent Directors on the Board is less than	The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of Independent Directors should be



	Requirements) Regulations, 2015, where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall Comprise of Independent Directors.	Fifty percent.	at least 50% of the Board Members. As NFL is a government Company, therefore, Directors of the Company are appointed by the Government of India through the DoF. During the Audit, the Management informed us that the Company had requested to DoF from time to time for appointment of adequate number of Independent Directors.
2.	Regulation 17 (10) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations, 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors.	The performance evaluation of Independent Directors has not been done by the entire Board of Directors.	As explained by the management, the appointment of Chairperson, Functional Directors, Part-time Official Directors as well as Part-time non-Official Directors (Independent Directors) on the Board of NFL is made by Government of India (GOI). Further, terms & conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of performance of Chairperson and Functional Directors and Independent Directors by Administrative Ministry.
3.	Regulation 18 (1) (b) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015, Two-thirds of the members of Audit Committee shall be Independent Directors.	The number of Independent Directors in the Audit Committee was less than two-third of the members of Audit Committee w.e.f. 02.02.2020.	The Composition of Audit Committee was not in accordance with the requirement of Regulation 18(1) of SEBI (LODR) Regulations, 2015, due to inadequate number of Independent Director in the Company. The Independent Directors are appointed by Government of India (GOI) and Company has no control over the same.



4.	<p>Regulation 19 (1) (b) and (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,</p> <p>All directors of the Nomination and remuneration committee shall be non-executive directors; and at least fifty percent of the directors shall be independent directors.</p>	<p>The Composition of Committee consists of Executive Director as well as Non- Executive Director. Further, number of Independent Directors was also less than 50% w.e.f. 02.02.2020.</p>	<p>The Composition of Nomination and Remuneration Committee was not in accordance with the requirement of Regulation 19(1) of SEBI (LODR) Regulations, 2015, due to inadequate number of Independent Director in the Company. The Independent Directors are appointed by Government of India (GOI) and Company has no control over the same.</p>
5.	<p>Regulation 19 (4) read with Schedule II Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Nomination and Remuneration Committee shall:</p> <p>(a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;</p> <p>(b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.</p>	<p>The Nomination and Remuneration Committee has not:(a) formulated the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;</p> <p>(b) Formulated the criteria for evaluation of performance of Independent Directors and the Board of Directors.</p>	<p>The Nomination and Remuneration Committee shall formulate the said policies/criteria's.</p> <p>As explained by the management, the appointment of Chairperson, Functional Directors, Part-time Official Directors as well as Part-time non-Official Directors (Independent Directors) on the Board of NFL is made by Government of India (GOI). Further, terms & conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of performance of Chairman, Functional Directors and Independent Director by GOI.</p>



- b) 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 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 there under:

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.
01	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June 30, 2019.	NSE vide its letter dated August 19, 2019 has imposed a fine of Rs.5,36,900/- inclusive of GST.	The Company has submitted a response vide their letter dated 28.08.2019 and has requested to waive off the penalty on the grounds that the Company is a Government Company and Independent Directors are appointed by Government of India.
02.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended June 30, 2019.	BSE vide its letter dated August 19, 2019 has Imposed a fine of Rs.5,36,900/-inclusive of GST.	The Company has submitted a response vide their letter dated 28.08.2019 and has requested to waive off the penalty on the grounds that the Company is a Government Company and all Independent Directors are Appointed by Government of India.



03.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 for Quarter ended September 30, 2019.	NSE vide its letter dated November 01, 2019 has imposed a fine of Rs.5,42,800/- inclusive of GST.	The Company has submitted a response vide their letter dated 07.11.2019 and has requested to waive off the penalty on the grounds that the Company is a Government Company and Independent Directors are Appointed by Government of India.
04.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended September 30, 2019.	BSE vide its letter dated October 31, 2019 has imposed a fine of Rs. 5,42,800/-Inclusive of GST.	The Company has submitted a response vide their letter dated 04.11.2019 and has requested to waive off the penalty on the grounds that the Company is a Government Company and Independent Directors are Appointed by Government of India.
05.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2019.	NSE vide its letter dated February 03, 2020 has imposed a fine of Rs. 5,42,800/- inclusive of GST.	The Company has submitted a response vide their letter dated 10.02.2020 and has requested to waive off the penalty on the grounds that the Company is a Government Company and Independent Directors are Appointed by Government of India.
06.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing	BSE vide its letter dated February 03, 2020 has imposed a fine of Rs. 5,42,800/-inclusive of GST.	The Company has submitted a response vide their letter dated 10.02.2020 and has requested to waive off



		Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2019.		the penalty on the grounds that the Company is a Government Company and Independent Directors are Appointed by Government of India.
07.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended March 31, 2020.	NSE vide its email dated July 02, 2020 has imposed a fine of Rs. 5,36,900/- inclusive of GST.	The Company has submitted a response vide their letter dated 13.07.2020 and has requested to waive off the penalty on the grounds that the Company is a Government Company and Independent Directors are Appointed by Government of India.
08.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended March 31, 2020.	BSE vide its email dated July 08, 2020 has imposed a fine of Rs. 5,36,900/-inclusive of GST.	The Company has submitted a response vide their letter dated 13.07.2020 and has requested to waive off the penalty on the grounds that the Company is a Government Company and Independent Directors are Appointed by Government of India.
09	BSE Limited	Regulation 29 of the SEBI (LODR) Regulations, 2015 the Company is required to give prior intimation to the Exchange about the meeting of Board Directors	BSE vide its letter dated May 10, 2019 has imposed a fine of Rs. 11,800/-inclusive of GST.	The Company has submitted a response vide their letter dated 16.05.2019 and has requested to waive off the penalty and the same was waived off by BSE vide its letter dated July 17, 2019.



		in which proposals as specified in Regulation 29(1) are to be considered. It has been observed that the Company has not submitted prior intimation of such meeting convened on May 02, 2019, within the timelines specified in Regulation 29(2)/29(3).		
10	National Stock Exchange Limited	Regulation 29 of the SEBI (LODR) Regulations, 2015 the Company is required to give prior intimation to the Exchange about the meeting of board directors in which proposals as specified in Regulation 29(1) are to be considered. It has been observed that the Company has not submitted prior intimation of such meeting	NSE vide its letter dated May 10, 2019 has imposed a fine of Rs. 11,800/-inclusive of GST.	The Company has submitted a response vide their letter dated 16.05.2019 and has requested to waive off the penalty and the same was waived off by NSE vide its letter dated August 08, 2019.



		convened on May 02, 2019, within the timelines specified in Regulation 29(2)/29(3).	
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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 ended 31 March, 2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Please Refer to Serial No. 01, 02 and 05 of table (a) as given in above.				

For Parveen Rastogi & Co.
Company Secretaries

Parveen Rastogi
M. No.: 4764
COP No.: 2883

Place: New Delhi
Date: 14-07-2020

UDIN: F004764B000450396

