

Secretarial Compliance Report of
NLC India Limited for the year ended March 31, 2021

To,

**The Board of Directors,
NLC India Limited,
CIN: L93090TN1956GOI003507
No.135, EVR Periyar High Road,
Kilpauk, Chennai ,
Tamilnadu – 600010**

We have examined:

- (a) all the documents and records made available to us and explanation provided by **NLC India Limited** (hereinafter called “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 on March 31, 2021 (hereinafter called “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) 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; **[Not Applicable as the listed entity has not bought back/propose to buy-back any of its securities during the Review Period];**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable as the listed entity has not offered any shares or granted any options pursuant to any employee benefit scheme during the Review Period];**
- (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; **[Not Applicable as the listed entity has not issued and listed any preference shares during the Review Period];**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations,2018 **(to the extent applicable)** and circulars/ guidelines issued thereunder.

and based on the above examination, we 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 Practicing Company Secretary
1.	Regulation 17(1)(a) & (1)(b) of SEBI (LODR) Regulations, 2015	<p>The number of Non-Executive Directors on the Board was less than 50% of the total strength during the period 15.06.2020 to 01.07.2020 and 06.09.2020 to 31.03.2021.</p> <p>The Board of Directors did not comprise a Woman Director/ an Independent Woman Director.</p> <p>The number of Independent Directors on the Board was less than 50% of the total strength.</p>	<p>The listed entity is a Government Company and the power to appoint Directors including the Independent Directors and Woman Director / Independent Woman Director on the Board of the Company vests with the President of India.</p> <p>The Company has from time to time communicated to the Ministry of Coal, Government of India, being the Administrative Ministry, for appointment of Independent Directors including Woman Director / Independent Woman Director on the Board.</p>
2.	Non-compliance with provisions pertaining to Regulation 24(1) of SEBI (LODR) Regulations, 2015.	The requirement of appointment of at least one Independent Director of the listed entity on the Board of Directors of an unlisted material subsidiary have not been complied with.	The Company has from time to time requested to the Ministry of Coal, the administrative Ministry, for appointment of one Independent Director from the Board of the Company on the Board of Directors of the unlisted material subsidiary.
3.	Non-compliance with provisions pertaining to Regulation 17(10) of SEBI(LODR) Regulations, 2015 and Regulation 19(4)read with Schedule II Part D (A) of the SEBI (LODR) Regulations, 2015.	The evaluation of Independent Directors has not been done by the entire Board of Directors. The required policies / criteria for appointment of Directors on the Board were not formulated by the Nomination and Remuneration Committee.	<p>As informed by the company, the Government of India, being the appointing authority has its own set of processes in determining the criteria and also for evaluation of the performance of Independent Directors at the time of appointment / re-appointment.</p> <p>Ministry of Corporate Affairs' (MCA) vide its Notification dated 5thJune, 2015, has exempted the Government companies from</p>

			the requirement of performance evaluation of Directors under Section 178(2) of the Companies Act, 2013. Further, MCA vide its notification dated 5th July, 2017 made an amendment in the Schedule IV of the Act, whereby Government Companies were exempted from complying with the requirement of performance evaluation of Independent Directors by the Board, if the concerned Department or Ministry have specified aforesaid requirements.
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- (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 our 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 Practicing Company Secretary, if any.
1.	BSE & NSE	Non-compliance with provisions pertaining to board composition (Regulation 17(1)(a) & (1)(b) of SEBI (LODR) Regulations, 2015) for the quarters ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021.	Stock exchanges levied monetary fine(s) for non-compliance with the requirements pertaining to the composition of the Board including failure to appoint Woman Director (Regulation 17(1)(a) & (1)(b) of SEBI (LODR) Regulations, 2015) for the quarters ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021.	<p>The listed entity is a Government Company and the power to appoint Directors including the Independent Directors and Woman Director / Independent Woman Director on the Board of the Company vests with the President of India.</p> <p>The Company has from time to time communicated to the Ministry of Coal, Government of India, being the Administrative Ministry, for appointment of Independent Directors including Woman Director / Independent Woman Director on the Board.</p> <p>The Company has made a request to both the Stock Exchanges for considering waiver of fines levied for all the quarters for the year ended March 31, 2021 citing the abovementioned reasons.</p> <p>As per Uniform Carve Outs for SOP Fines Levied as per the provisions of SEBI SOP</p>

				<p>circular, BSE has considered the requests made by the Company and waived the fines levied for the quarters ended Sep-2020 and Dec-2020 while NSE has replied that the waiver of fine shall be considered by the exchange only after the compliance is achieved by the company.</p>
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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 (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
1	The Board of Directors of the Company did not comprise with the required number of Independent Directors.	31.03.2019	Being a Government Company, since the power to appoint Directors on the Board of Directors of the Company, vests with the President of India, the listed entity has referred the matter to Ministry of Coal, the Administrative Ministry, for appointment of requisite number of Independent Directors including Woman Director on the Board.	The non-compliance is beyond the control of the listed entity. The Company has time to time taken up the matter of appointment of requisite number of Independent Directors including Women Director on its Board with its Administrative Ministry i.e., Ministry of Coal and has intimated the same to the Stock Exchanges.
2	For a part of the year (from 12.02.2019 to 31.03.2019), the composition of the Audit Committee did not comply with the requirements as prescribed under the Listing Regulations.	31.03.2019	The listed entity has reconstituted the Committee and has complied with the provisions.	The requirement has been fully complied with.
3	The Chairperson of the Audit Committee was not present in the 62 nd Annual General Meeting.	31.03.2019	The Company had given a specific request to the Chairman of the Audit Committee to attend the 63 rd Annual General Meeting.	The company has been compliant in respect of Regulation 18(1)(d) of SEBI (LODR) Regulations,

				2015 during 64 th AGM of the Company held on 29.09.2020.
4	<p>The number of Non-Executive Directors on the Board is less than 50% of the total strength during the period from 10.02.2020 to 02.03.2020.</p> <p>The Board of Directors did not comprise a Woman Director and an Independent Woman Director from 02.02.2020 to 31.03.2020.</p> <p>The number of Independent Directors on the Board is less than 50% of the total strength during the period from 01.04.2019 to 01.08.2019 and from 17.11.2019 to 31.03.2020.</p>	31.03.2020	Being a Government Company, since the power to appoint Directors on the Board of Directors of the Company, vests with the President of India, the listed entity has referred the matter to Ministry of Coal, the Administrative Ministry for appointment of requisite number of Independent Directors including Woman Director on the Board.	The non-compliance is beyond the control of the listed entity. The Company has time to time taken up the matter of appointment of requisite number of Independent Directors including Women Director on its Board with its Administrative Ministry i.e., Ministry of Coal and has intimated the same to the Stock Exchanges.
5	The Audit Committee did not comprise of the required number of Directors and with two-thirds of the Members as Independent Directors during 17.11.2019 to 04.12.2019.	31.03.2020	The listed entity has reconstituted the Committee w.e.f. 05.12.2019.	The requirement has been fully complied with.
6.	The Chairperson of the Audit Committee was not present at the 63 rd Annual general meeting of the Company to answer shareholder's queries.	31.03.2020	The Company had given a specific request to the Chairman of the Audit Committee to attend the 63 rd Annual General Meeting.	The company has been compliant in respect of Regulation 18(1)(d) of SEBI (LODR) Regulations, 2015 during 64 th AGM of the Company held on 29.09.2020.
7.	The Nomination and Remuneration Committee did not comprise of the minimum required number of 3 Directors during the period from	31.03.2020	The Committee was reconstituted by the Board in accordance with the requirements w.e.f. 04.10.2019. Further, consequent to relinquishment of one	The requirement has been fully complied with.

	26.09.2019 to 03.10.2019 and from 17.11.2019 to 04.12.2019.		more member from the Board w.e.f. 17.11.2019, the number of members reduced from 3 to 2 nos. and the requirements were not complied with till reconstitution of the Committee w.e.f. 05.12.2019 in accordance with the requirements.	
8.	The requirement of appointment of one Independent Director from the Board of the Holding Company on the Board of Subsidiary Company has not been complied with from 02.02.2020.	31.03.2020	The Company has referred to Ministry of Coal, the Administrative Ministry for appointment of one Independent Director from the Board of the Company on the Board of the Subsidiary Company.	The non-compliance is beyond the control of the listed entity. The Company has from time to time taken up the matter of appointment of one Independent Director from the Board of the Company on the Board of the Subsidiary Companies with its Administrative Ministry i.e., Ministry of Coal and has intimated the same to the Stock Exchanges.
9.	The evaluation of Independent Directors has not been done by the entire Board of Directors. The required policies / criteria for appointment of Directors on the Board were not formulated by the Nomination and Remuneration Committee.	31.03.2020	The Government of India, the appointing authority has its own set of processes in determining the criteria and also for evaluation of the performance of Independent Directors at the time of appointment / re-appointment.	As informed by the company, the Government of India, being the appointing authority has its own set of processes in determining the criteria and also for evaluation of the performance of Independent Directors at the time of appointment / re-appointment. Ministry of Corporate Affairs' (MCA) vide its Notification dated 5 th June, 2015, has exempted the Government companies from the requirement of performance evaluation of Directors under Section 178(2) of the Companies Act, 2013. Further, MCA vide its notification dated 5 th July, 2017 made an

				<p>amendment in the Schedule IV of the Act, whereby Government Companies were exempted from complying with the requirement of performance evaluation of Independent Directors by the Board, if the concerned Department or Ministry have specified aforesaid requirements.</p>
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We further report that during the Review Period,

- i. There was no event of resignation of statutory auditor of the company during the review period and as such, the compliance 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.
- ii. In view of the situation emerging out of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended March 31, 2021 and the documents/information required by us were provided through electronic Mode.

For Kumar Naresh Sinha & Associates

Company Secretaries

NARESH
KUMAR
SINHA

Digitally signed by
NARESH KUMAR
SINHA
Date: 2021.06.29
11:44:05 +05'30'

**CS Naresh Kumar Sinha
(Proprietor)**

FCS: 1807, C P No.: 14984

PR: 610/2019

UDIN: F001807C000534999

**Place: Noida
Date: 29.06.2021**