

एन एम डी सी



NMDC

# एन एम डी सी लिमिटेड NMDC Limited

(भारत सरकार का उद्यम) (A GOVT. OF INDIA ENTERPRISE)

पंजीकृत कार्यालय : 'खनिज भवन', 10-3-311/ए, कैसल हिल्स, मासाब टैंक, हैदराबाद - 500 028.  
Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.  
नैगम पहचान संख्या / Corporate Identity Number : L13100TG1958 GOI 001674



No. 18(5)/2022- Sectt

24<sup>th</sup> May 2022

1) The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	2) National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
3) The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700001	

Dear Sir / Madam,

**Sub: Annual Secretarial Compliance Report for the Financial Year ended 31<sup>st</sup> March 2022**

**Ref: 1. Regulation 24A of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February 2019;  
2. BSE Equity Scrip ID: 526371, NSE Security ID: NMDC; BSE NCD Scrip ID: 959957**

In compliance with Regulation 24A of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February 2019, please find enclosed the Annual Secretarial Compliance Report of NMDC Limited for the financial year ended 31<sup>st</sup> March 2022, issued by M/s D. Hanumanta Raju & Co., Company Secretaries.

This is for your information and records.

Thanking you

Yours faithfully,  
For NMDC Limited

**A S Pardha Saradhi**  
ED (Company Secretary)

Encl: As above

**SECRETARIAL COMPLIANCE REPORT OF  
NMDC LIMITED  
FOR THE YEAR ENDED 31.03.2022**

We, D. Hanumanta Raju & Co, Company Secretaries, having our office at B-13, F-1, P.S.Nagar, Vijayanagar Colony, Hyderabad – 500 057, have examined:

- a) all the documents and records made available to us and explanations provided by **NMDC LIMITED**, (“The Listed Entity”),
- b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- c) website of the Listed Entity,
- d) declaration received from the listed entity on Annual Compliance for the financial year ended 31<sup>st</sup> March, 2022 (“Review Period”) in respect of compliance with the provisions of:
  1. the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, Circulars, Guidelines issued thereunder; and
  2. 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; (Not applicable to the listed entity during the period under review)
- 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 listed entity during the period under review)



- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the listed entity during the period under review)
- 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 to the listed entity during the period under review)
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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.	<p>Composition of the Board of Directors with respect to woman independent director as specified under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;</p> <p>Provided that the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020</p>	<p>The Listed entity has not appointed one Woman Independent Director</p>	<p>There is no Woman Independent Director on the Board of the Listed Entity.</p> <div style="text-align: center;">  </div>

<p>2.</p>	<p>Composition of Board of Directors with respect to Independent Directors as specified under Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), 2015;</p>	<p>The Listed entity has not appointed sufficient number of Independent Directors.</p>	<p>The Listed Entity should have at least half of the Board as Independent Directors, if the Chairman is an Executive Director. It has been observed that the Listed Entity is having 10 (Ten)** Directors on its Board as on 31.03.2022 including 4 (Four) Executive and 2 (Two) Non Executive Directors and 4 (Four) Independent Directors. The Listed Entity is yet to appoint 2 (Two)** Independent Directors including one Woman Independent Director.</p>
<p>3.</p>	<p>The quorum for every meeting of Board of Directors of the top 2000 listed entities with effect from 01.04.2020 shall be one-third of its total strength or three directors, whichever is higher, including atleast one independent director as specified under Regulation 17(2A) of SEBI (Listing Obligations and Disclosure Requirements), 2015;</p>	<p>The Listed entity has not appointed sufficient number of Independent Directors till 31.10.2021</p>	<p>The Listed entity has convened 537<sup>th</sup> to 542<sup>nd</sup> Board meetings which were held on 17.06.2021, 22.06.2021, 13.07.2021, 12.08.2021, 31.08.2021 and 27.09.2021 without the presence of any Independent Director;</p>
<p>4.</p>	<p>Composition of the Audit Committee as specified under Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015;</p>	<p>The listed entity has not appointed sufficient number of members on the Committee till 05.11.2021.</p>	<p>The Audit Committee shall comprise of minimum 3 (Three) Directors and Two-thirds of the members of Audit Committee shall be Independent Directors.</p> <p>The constitution of Audit Committee of the listed entity was not as per the SEBI LODR regulations till 05.11.2021. However, Listed entity has appointed requisite number of Independent Directors w.e.f 06.11.2021 and duly complied with above regulation.</p>



<p>5.</p>	<p>Composition of the Nomination and Remuneration Committee as specified under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;</p>	<p>The listed entity has not Constituted Nomination and Remuneration Committee till 05.11.2021.</p>	<p>The Nomination and Remuneration Committee shall comprise of minimum 3 (Three) Directors who shall be Non-Executive and at least fifty percent of the directors shall be Independent Directors.</p> <p>The constitution of Nomination and Remuneration Committee of the listed entity was not as per the SEBI LODR regulations till 05.11.2021. However Listed entity has appointed requisite number of Independent Directors w.e.f 06.11.2021 and duly complied with above regulation.</p>
<p>6.</p>	<p>Composition of the Stakeholders Relationship Committee as specified under Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;</p>	<p>The listed entity has not appointed Sufficient number of members on the Committee till 05.11.2021.</p>	<p>The Stakeholders Relationship Committee shall comprise of minimum 3 (Three) Directors with at least one being an independent director.</p> <p>It has been observed that, there are only 2 (Two) Executive directors as members in the Stakeholders Relationship Committee till 05.11.2021. However, Listed entity has appointed requisite number of Independent Directors w.e.f 06.11.2021 and duly complied with above regulation.</p>
<p>7.</p>	<p>Composition of the Risk Management Committee as specified under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;</p>	<p>The listed entity has not appointed Independent Director as member of the Committee till 16.12.2021.</p>	<p>The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.</p> <p>The constitution of Risk Management Committee of the listed entity was not as per the regulations of SEBI LODR and it is observed that:</p> <p>a. for the quarter ended 30.06.2021 committee comprises of only 4 (Four) executive directors.</p>



			<p>b. for the quarter ended 30.09.2021 committee comprises of only 3(three) executive directors.</p> <p>However, Listed entity has appointed requisite number of Independent Directors w.e.f 17.12.2021 and duly complied with above regulation.</p>
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**Note:** \*\*As per the information given by the officials of the Listed Entity, there is a vacancy for the post of two (2) Executive (Functional) Directors i.e., Director (Personnel) and Director (Commercial) as per the requirements of Department of Public Enterprises Guidelines (DPE). Therefore, after filling up of such vacancy there will be 12 (Twelve) directors on the Board consisting of 6 (Six) Executive and 2 (Two) Non Executive and 4 (Four) Independent Directors. As the Chairman of the Listed Entity is Executive and subsequent to appointment of two more Executive Directors, it is required to appoint 4 (Four) Independent Directors on the Board. The Listed Entity is actively pursuing with its controlling ministry, Ministry of Steel, Govt. of India for filling up the said vacancies.

- (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 our examination of those records.
- (c) The following are the details of actions taken against the Listed Entity 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 Limited	Regulation 17(1) – Non-Compliance with the requirements pertaining to the composition of the Board of Directors including	Fine of Rs. 21,53,500/- including GST imposed on the Company for the Quarters ended, 30.06.2021, 30.09.202, 31.12.2021 and 31.03.2022	Listed Entity has replied to the Stock exchanges on the said matter stating that the Company is a Central Public Sector Enterprise (CPSE) under the administrative control of Ministry of Steel, Government of India. As per Article 74(b) of the Articles of Association of the Company, inter alia, the President of India shall appoint all members of the Board of Directors.



	failure to appoint Woman Independent Director			The present composition of Board of the Listed Entity consists of 4 (Four) Executive Directors including Chairman and Managing Director and 2 (Two) Government Nominee Directors and 4 (Four) Independent Directors.
	Regulation 17(2A) – Non-compliance with requirements pertaining to quorum of Board meetings	Fine of Rs. 70,800/- including GST imposed on the Company for the Quarter ended 30.06.2021 and 30.09.2021		At present there is a vacancy of 2 (Two) Independent Directors including vacancy of atleast one Woman Independent Director.  As the Listed Entity is not responsible for appointment of directors, it has requested for the waiver of the penalty imposed by both Stock Exchanges (i.e, BSE Limited and National Stock Exchange of India Limited).
	Regulation 18(1) – Non-compliance with the constitution of audit committee	Fine of Rs. 5,16,840/- including GST imposed on the Company for the Quarter ended 30.06.2021, 30.09.2021 and 31.12.2021		However, no reply is received from the respective Stock Exchanges for the request made by the Listed Entity as on the even date.
	Regulation 19(1)/ 19(2) Non-compliance with the constitution of nomination and remuneration committee	Fine of Rs. 5,16,840/- including GST imposed on the Company for the Quarters ended, 30.06.2021, 30.09.2021 and 31.12.2021		
	Regulation 20(2)/(2A) – Non-compliance with the constitution of stakeholder relationship committee	Fine of Rs. 5,16,840/- including GST imposed on the Company for the Quarter ended 30.06.2021, 30.09.2021 and 31.12.2021		



		Regulation 21(2) – Non-compliance with the constitution of Risk Management committee	Fine of Rs. 3,16,240/- including GST imposed on the Company for the Quarter ended 30.09.2021 and 31.12.2021
2	National Stock Exchange of India Limited	Regulation 17(1) – Non Compliance with the requirements pertaining to the composition of the Board of Directors including failure to appoint Woman Independent Director	Fine of Rs. 16,16,600/- including GST imposed on the Company for the Quarter ended 30.09.2021 31.12.2021 and 31.03.2022
		Regulation 17(2A) – Non-compliance with requirements pertaining to quorum of Board meetings	Fine of Rs. 47,200/- including GST imposed on the Company for the Quarter ended 30.09.2021
		Regulation 18(1) – Non-compliance with the constitution of audit committee	Fine of Rs. 3,02,080/- including GST imposed on the Company for the Quarter ended 30.09.2021 and 31.12.2021
		Regulation 19(1)/ 19(2) Non-compliance with the constitution of	Fine of Rs. 3,02,080/- including GST imposed on the Company for the Quarters ended





	nomination and remuneration committee	30.09.2021 and 31.12.2021	
	Regulation 20(2)/(2A) – Non-compliance with the constitution of stakeholder relationship committee	Fine of Rs. 3,02,080/- including GST imposed on the Company for the Quarters ended 30.09.2021 and 31.12.2021	
	Regulation 21(2) – Non-compliance with the constitution of Risk Management committee	Fine of Rs. 3,16,240/- including GST imposed on the Company for the Quarters ended 30.09.2021 and 31.12.2021	

(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 report	Observations made in secretarial compliance report for the year ended 31 <sup>st</sup> March, 2021	Action taken by the Listed Entity	Comments of the Practicing Company Secretary, on the actions taken by the Listed entity
1.	There is no Woman Independent Director on the Board of the Listed Entity.	There is no Woman Independent Director on the Board of the Listed Entity.	Listed Entity had replied to the Stock exchanges on the said matter stating that the Company is a Central Public Sector Enterprise (CPSE) under the administrative control of Ministry of steel, Government of India.	As intimated by the officials of the Listed Entity, the Listed Entity is a Central Public Sector Enterprise (CPSE) under the administrative control of Ministry of steel, Government of India. As per Article 74(b) of the Articles of Association of the Company, inter alia, the President of India shall appoint all members of the Board of Directors.
2.	The Listed Entity should have at least half of the Board as Independent Directors if the Chairman is an Executive Director. It has been observed that the Listed Entity is having 7 (Seven) Directors on its Board as on 31.03.2021 including 5 (Five) Executive and 2 (Two) Non Executive Directors. The Listed	The Listed Entity should have at least half of the Board as Independent Directors if the Chairman is an Executive Director. It has been observed that the Listed Entity is having 7 (Seven) Directors on its Board as on 31.03.2021 including 5 (Five) Executive and 2 (Two) Non Executive Directors. The Listed	the Ministry of steel, Government of India. As per	



	Entity is yet to appoint 7 (Seven) Independent Directors including one Woman Independent Director.	Entity is yet to appoint 7 (Seven) Independent Directors including one Woman Independent Director.	Article 74(b) of the Articles of Association of the Company, inter alia, the President of India shall appoint all members of the Board of Directors.	Accordingly, Listed Entity is following up with the Ministry of Steel, Government of India for filling the vacancy of the Independent Directors on the Board.
3.	The Listed entity had convened the Board meeting on 24 <sup>th</sup> March, 2021 without the presence of Independent Director.	The Listed entity had convened the Board meeting on 24 <sup>th</sup> March, 2021 without the presence of Independent Director.	The present composition of Board of the Listed Entity consists of 5 (Five) executive directors including Chairman and Managing Director and 2 (Two) Government Nominee Directors.	The Listed Entity is not responsible for appointment of directors and hence requested for a waiver of the fine levied by the Stock Exchanges.
4.	The Audit Committee shall comprise of minimum 3 (Three) Directors and Two-thirds of the members of audit committee shall be independent directors.  The constitution of Audit Committee of the listed entity is not as per the regulations of SEBI LODR and it is observed that:  a. for the quarter ended 31.12.2020 committee comprises of only one executive director and only one independent director.  b. for the quarter ended 31.03.2021 committee comprises of only two executive directors.	The Audit Committee shall comprise of minimum 3 (Three) Directors and Two-thirds of the members of audit committee shall be independent directors.  The constitution of Audit Committee of the listed entity is not as per the regulations of SEBI LODR and it is observed that:  a. for the quarter ended 31.12.2020 committee comprises of only one executive director and only one independent director.  b. for the quarter ended 31.03.2021 committee comprises of only two executive directors.	At present there is a vacancy of 7 (Seven) Independent Directors on the Board. The Listed Entity is actively pursuing with its administrative Ministry for filling up the said vacancies of Independent Directors. As the Listed Entity is not	Accordingly, BSE Limited vide email dated 19.04.2021 waived fine levied for September 2020 to December 2020
5.	The Nomination and Remuneration Committee shall comprise of minimum 3 (Three) Directors who shall be Non- Executive	The Nomination and Remuneration Committee shall comprise of minimum 3 (Three) Directors who shall be Non- Executive		



	<p>and at least fifty percent of the directors shall be Independent Directors.</p> <p>The constitution of Nomination and Remuneration Committee of the listed entity is not as per the Regulations of SEBI LODR for the year 2020-21 due to the non appointment of sufficient number of independent directors and it is observed that consequent to cessation of all the members of the committee from the Board of Listed Entity, this committee ceased to exist for the quarters ended 31.12.2020 and 31.03.2021.</p>	<p>and at least fifty percent of the directors shall be Independent Directors.</p> <p>The constitution of Nomination and Remuneration Committee of the listed entity is not as per the Regulations of SEBI LODR for the year 2020-21 due to the non appointment of sufficient number of independent directors and it is observed that consequent to cessation of all the members of the committee from the Board of Listed Entity, this committee ceased to exist for the quarters ended 31.12.2020 and 31.03.2021.</p>	<p>responsible for appointment of directors, it has requested for the waiver of the penalty imposed by both Stock Exchanges (i.e., BSE Limited and National Stock Exchange of India Limited) and accordingly the said matter was placed before the respective committees of the Stock Exchanges.</p> <p>The Committees after considering the facts of the case and the Listed Entity's representation decided to waive the fines levied for non compliance under SEBI (LODR) Regulations, 2015.</p> <p>Accordingly, National Stock Exchange of India Limited vide their Letter dated 01.09.2020 waived fine for the quarters</p>
6.	<p>The Stakeholders Relationship Committee shall comprise of minimum 3 (Three) Directors with at least one being an independent director.</p> <p>It has been observed that, there are only 2 (Two) Executive directors as members in the Stakeholders Relationship Committee for Quarters ended 31.12.2020 and 31.03.2021</p>	<p>The Stakeholders Relationship Committee shall comprise of minimum 3 (Three) Directors with at least one being an independent director.</p> <p>It has been observed that, there are only 2 (Two) Executive directors as members in the Stakeholders Relationship Committee for Quarters ended 31.12.2020 and 31.03.2021</p>	<p>The Stakeholders Relationship Committee shall comprise of minimum 3 (Three) Directors with at least one being an independent director.</p> <p>It has been observed that, there are only 2 (Two) Executive directors as members in the Stakeholders Relationship Committee for Quarters ended 31.12.2020 and 31.03.2021</p>



			<p>31<sup>st</sup> March 2019 till 31<sup>st</sup> December, 2019.</p> <p>BSE Limited vide their email dated 24.09.2020 waived fine for the quarters March 2019 till June, 2020. Further, BSE Limited vide email dated 19.04.2021 waived fine levied for September 2020 to December 2020.</p>	
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The reporting on compliance of Clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable to the Listed Entity as the Statutory Auditors were appointed by Comptroller and Auditor General of India (C&AG) during the Review Period. Further there was no case of resignation by any of these Auditors appointed by C&AG for the Company for the financial year 2021-2022.

**Place: Hyderabad**  
**Date: 23.05.2022**



**For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES**

*D. Hanumanta Raju*

**CS DATLA HANUMANTA RAJU  
PARTNER**

**FCS: 4044, CP NO: 1709**

**UDIN: F004044D000364954**

**PR NO.:699/2020**