

Secretarial Compliance Report
of
NLC India Limited for the year ended 31 March, 2022

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 **31 March, 2022** (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 and Sweat Equity) Regulations, 2021; **(Not applicable to the company during the review period);**
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (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; **(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 of SEBI (LODR) Regulations, 2015	<p>The Board of Directors did not comprise of a Woman Director/ an Independent Woman Director till 09 November 2021. [Regulation 17(1)(a)]</p> <p>The number of Independent Directors on the Board was less than 50% of the total strength. [Regulation 17(1)(b)]</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.	Regulation 24 of SEBI (LODR) Regulations, 2015	<p>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. [Regulation 24(1)]</p>	<p>The Company has from time to time communicated to 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.</p>
3.	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	<p>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>	<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 for evaluation of the performance of Independent Directors at the time of appointment / re-appointment. Ministry of Corporate Affairs' (MCA) vide its Notification dated 5th June, 2015, has exempted the Government companies from the requirement of performance evaluation of Directors under</p>

			Section 178(2) of the Companies Act, 2013. Further, MCA vide its notification dated 5 th 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) of SEBI (LODR) Regulations, 2015) for the quarters 30 June 2021, 30 September 2021, 31 December 2021 and 31 March 2022.	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 for the quarters ended 30 June 2021, 30 September 2021, 31 December 2021 and 31 March 2022. (For woman Director, the non-compliance was up to 09 November 2021)	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. 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. 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 31 March 2022 citing the abovementioned reasons.

- (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.	<p>The Board of Directors did not comprise a Woman Director and an Independent Woman Director from 02 February 2020 to 31 March 2020</p> <p>The number of Independent Directors on the Board is less than 50% of the total strength during the period from 01 April 2019 to 01 August 2019 and from 17 November 2019 to 31 March 2020</p>	31 March 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 Directors 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.	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 February 2020.	31 March 2020 & 31 March 2021	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.
3.	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 March 2020 & 31 March 2021	The Government of India, the appointing authority has its own set of processes in determining the criteria and 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 for evaluation of the performance of Independent Directors at the time of appointment / re-appointment.

				<p>Ministry of Corporate Affairs' (MCA) vide its Notification dated 5 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 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.</p>
4.	<p>The number of Non-Executive Directors on the Board was less than 50% of the total strength during the period 15 June 2020 to 01 July 2020 and 06 September 2020 to 31 March 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>	31 March 2021	<p>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 on the Board.</p> <p>An Independent Woman Director was appointed by the Company w.e.f. 10 November 2021.</p>	<p>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 on its Board with its administrative ministry i.e., Ministry of Coal and has intimated the same to the Stock Exchanges.</p>

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.

**Place: Noida
Date: 24 May, 2022**

For Kumar Naresh Sinha & Associates

Company Secretaries

**NARESH
KUMAR
SINHA**

Digitally signed by
NARESH KUMAR
SINHA
Date: 2022.05.24
15:40:58 +05'30'

**CS Naresh Kumar Sinha
(Proprietor)**

FCS: 1807, CP No.: 14984

PR: 610/2019

UDIN: F001807D000376654