

एनएमडीसी



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(1)/2021- Sectt

16th June 2021

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 31st March 2021

**Ref: Regulation 24A of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019;
Stock Code - NSE: NMDC; BSE: 526371**

In compliance with Regulation 24A of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019, please find enclosed the Annual Secretarial Compliance Report of NMDC Limited for the financial year ended 31st March 2021, 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
Company Secretary

Encl: As above

**SECRETARIAL COMPLIANCE REPORT OF
NMDC LIMITED
FOR THE YEAR ENDED 31.03.2021**

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 via e-mail due to Covid-19 pandemic 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 31st March, 2021 (“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;



- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (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.

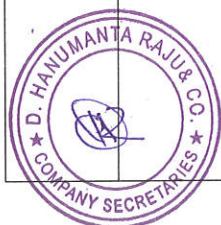
and circulars/ guidelines issued thereunder; and based on the above examination, We hereby report that, during the Review Period:

- (a) The Company 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.	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; Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019	The Listed entity has not appointed one Woman Independent Director	There is no Woman Independent Director on the Board of the Listed Entity.



<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) Regulations, 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 7 (Seven) Directors on its Board as on 31.03.2021 including 5 (Five) Executive and 2 (Two) Non Executive Directors. The Listed Entity is yet to appoint 7 (Seven) 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) Regulations, 2015;</p>	<p>The Listed entity has not appointed sufficient number of Independent Directors.</p>	<p>The Listed entity had convened the Board meeting on 24th March, 2021 without the presence of 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) Regulations, 2015;</p>	<p>The listed entity has not appointed sufficient number of members on the Committee for the quarters ended 31.12.2020 and 31.03.2021</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 is not as per the regulations of SEBI LODR and it is observed that:</p> <ol style="list-style-type: none"> 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.



5.	Composition of the Nomination and Remuneration Committee as specified under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;	The listed entity has not constituted Nomination and Remuneration Committee	<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 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>
6.	Composition of the Stakeholders Relationship Committee as specified under Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;	The listed entity has not appointed Sufficient number of members on the Committee for the quarters ended 31.12.2020 and 31.03.2021	<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>

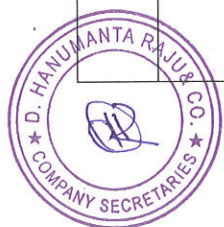
Note: As per the information given by the officials of the Listed Entity, there is a vacancy for the post of One Executive Director i.e; Director (Personnel) as per the requirements of Department of Public Enterprises Guidelines (DPE). Therefore, after filling up of such vacancy there will be 8 (Eight) directors on the Board consisting of 6 (Six) Executive and 2 (Two) Non Executive. As the Chairman of the Listed Entity is Executive and subsequent to appointment of one more Executive Director, it is required to appoint 8 (Eight) Independent Directors on the Board and 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.	Fine of Rs. 24,36,700/- including GST imposed on the Company for the Quarters ended 31.03.2020, 30.06.2020, 30.09.2020, 31.12.2020 and 31.03.2021	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 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. 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.
		Regulation 17(2A) – Non-compliance with requirements pertaining to quorum of Board meetings	Fine of Rs. 11,800/- including GST imposed on the Company for the Quarter ended 31.03.2021	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.
		Regulation 18(1) – Non-compliance with the constitution of audit committee	Fine of Rs. 1,03,840/- including GST imposed on the Company for the Quarter ended 31.03.2021	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) and accordingly the said matter was placed before the respective committees of the Stock Exchanges. The Committees after considering the facts of the case and the Listed Entity’s representation decided to waive the fines levied for non



		Regulation 19(1)/ 19(2) Non-compliance with the constitution of nomination and remuneration committee	Fine of Rs. 9,41,640/- including GST imposed on the Company for the Quarters ended 31.03.2020, 30.06.2020, 30.09.2020, 31.12.2020 and 31.03.2021	compliance under SEBI (LODR) Regulations, 2015. Accordingly, National Stock Exchange of India Limited vide their Letter dated 01.09.2020 waived fine for the quarters 31 st March 2019 till 31 st December, 2019. 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.
		Regulation 20(2)/(2A) – Non-compliance with the constitution of stakeholder relationship committee	Fine of Rs. 1,03,840/- including GST imposed on the Company for the Quarter ended 31.03.2021	
2	National Stock Exchange of India Limited	Regulation 17(1) – Non Compliance with the requirements pertaining to the composition of the Board of Directors.	Fine of Rs. 19,05,700/- including GST imposed on the Company for the Quarter ended 31.03.2020, 30.06.2020, 30.09.2020 and 31.12.2020	
		Regulation 19(1)/ 19(2) Non-compliance with the constitution of nomination and remuneration	Fine of Rs. 7,29,240/- including GST imposed on the Company for the Quarters ended 31.03.2020, 30.06.2020, 30.09.2020 and 31.12.2020	



(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 st March, 2020	Action taken by the Listed Entity	Comments of the Practicing Company Secretary, on the actions taken by the Listed entity
1.	It is observed that, there is no Woman Independent Director on the Board of the Listed Entity for the period 14 th November, 2019 to 31 st March, 2020	It is observed that, there is no Woman Independent Director on the Board of the Listed Entity for the period 14 th November, 2019 to 31 st March, 2020	Company had replied to the Stock exchanges on the said matter stating that the Company is a Central Public Sector Enterprise (CPSE) under the administrative	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 9 (Nine) Directors on its Board as on 31.03.2020 including 7 (Seven) Executive and Non Executive Directors and 2 (Two) Independent Directors. The Listed Entity is yet to appoint 6 (Six) more Independent Directors.	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 9 (Nine) Directors on its Board as on 31.03.2020 including 7 (Seven) Executive and Non Executive Directors and 2 (Two) Independent Directors. The Listed Entity is yet to appoint 6 (Six) more Independent Directors.	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. The composition of Board of the Company consists of 5 (Five) executive directors including Chairman and Managing Director, 2 (Two) Government Nominee Directors and 2 (Two) Independent 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. The Listed Entity is not responsible for appointment of directors and hence requested for a waiver of the fine levied by the Stock exchanges.
3.	It has been observed that the Nomination and Remuneration Committee shall comprise of minimum 3 (Three) Directors who shall be Non - Executive and at least	It has been observed that the Nomination and Remuneration Committee shall comprise of minimum 3 (Three) Directors who shall be Non - Executive and at least	There was a vacancy of 6 (six)	Accordingly the said matter was placed before the respective committees of Stock Exchanges.



fifty percent of the directors shall be Independent Directors. However, there is only 1 (One) independent director as member in the Nomination and Remuneration Committee for the quarters ended 31.12.2019 and 31.03.2020	fifty percent of the directors shall be Independent Directors. However, there is only 1 (One) independent director as member in the Nomination and Remuneration Committee for the quarters ended 31.12.2019 and 31.03.2020	Independent Directors on the Board. The Company is actively pursuing with its Administrative Ministry for filling up the said vacancies of Independent Directors.	The Committees after considering the facts of the case and the Listed Entity's representation decided to waive the fines levied for non-compliance of applicable Regulations under SEBI (LODR) Regulations, 2015 till the quarter ended 31.12.2019 by National Stock Exchange of India Limited and till the quarter ended 31.12.2020 by BSE Limited.
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**Place: Hyderabad
Date: 15.06.2021**



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

D. Hanumanta Raju

**CS DATLA HANUMANTA RAJU
PARTNER**

**FCS: 4044, CP NO: 1709
UDIN: F004044C000467364**