

राष्ट्रीय केमिकल्स एण्ड
फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)
साथ बढ़ें समृद्धि की ओर



Rashtriya Chemicals and
Fertilizers Limited

(A Government of India Undertaking)
Let us grow together

जय भगवान शर्मा
कंपनी सचिव

JAI BHAGWAN SHARMA
COMPANY SECRETARY

"प्रियदर्शिनी",
ईस्टर्न एक्सप्रेस हाइवे,
सायन, मुंबई - 400 022.

"Priyadarshini",
Eastern Express Highway,
Sion, Mumbai - 400 022.

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CIN: L24110MH1978GOI020185

RCF/CS/Stock Exchange/2020

July 31, 2020

The Corporate Relations Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	The Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(East), Mumbai- 400 051.
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Sir/Madam,

Sub: Annual Secretarial Compliance Report for the year ended March 31, 2020

We are enclosing herewith the Annual Secretarial Compliance Report for the year ended March 31, 2020 issued by M/s. Bhandari & Associates, Practising Company Secretaries.

This is for your kind information and record.

Yours faithfully,
For Rashtriya Chemicals and Fertilizers Limited

(J. B. Sharma)
Company Secretary

Encl: a./a.

BHANDARI & ASSOCIATES

Company Secretaries

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Secretarial Compliance Report of Rashtriya Chemicals and Fertilizers Limited for the year ended March, 31, 2020

We, Bhandari & Associates, Company Secretaries have examined:

- a) all the documents and records made available to us and explanation provided by **Rashtriya Chemicals and Fertilizers Limited** ("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 **March 31, 2020** ("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;#
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; #
- 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;#

- 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.

and circulars/ guidelines issued thereunder.

The Regulations or Guidelines, as the case may be were not applicable for the period under review.

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>As per Regulation 17(1) of the Listing Regulations, the Chairman being an Executive Director, at least half of the board of Directors should be comprised of Independent Directors.</p> <p>Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019.</p>	<p>The Board of Directors comprises of eight Directors, constituting of four Executive Directors (including the Chairman & Managing Director); two Nominee Directors (non-executive) and two Independent Directors.</p> <p>The listed entity does not have the requisite number of Independent Directors including independent Woman Director on its Board.</p>	<p>The Listed entity is a Central Public Sector Enterprise (CPSE) under the administrative control of Department of Fertilizers, Ministry of Chemicals and Fertilizers. We have been informed that, being a CPSE, the listed entity is not empowered to appoint any Director on its own on the Board of the Listed entity.</p>
2	<p>As per Regulation 19(1) of the Listing Regulations, the Nomination & Remuneration committee ("NRC") should consist of at least fifty percent of the directors as</p>	<p>Nomination and Remuneration committee ("NRC") is comprises of three Directors, constituting two non-executive Directors including one Independent Director</p>	<p>We have informed by the Listed Entity, Shri Suryanarayana Simhadri who is member of Nomination</p>

	independent directors.	and one Executive Director as on March 31, 2020. The Listed entity does not have requisite number of Independent Director in its NRC committee as on March 31, 2020.	and Remuneration Committee ceased to be Independent Director of the Company on completion of his term on 7th March, 2020. Subsequently, Nomination and Remuneration Committee was reconstituted by the Board of Directors on 8th May,2020 with requisite number of Independent Directors.
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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 Ltd ("BSE")	Non-compliance with the requirements pertaining to the composition of the Board under Regulation 17(1) for	Fine of Rs. 5,31,000/- for quarter ended March, 2019; Rs. 5,36,900/- for quarter ended June, 2019; Rs.	The Listed entity is a Central Public Sector Enterprise (CPSE) under the administrative control of

		the quarter ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020.	5,42,800/- each for quarters ended September, 2019 and December 2019 and Rs. 5,36,000 for quarter ended March 2020 was levied by BSE	Department of Fertilizers, Ministry of Chemicals and Fertilizers. Being a CPSE, the Company is not empowered to appoint any Director on its own on the Board of the Company. In view of the above, the Listed entity has made request to BSE to waive the fines.
2	National Stock Exchange Ltd (“NSE”)	Non-compliance with the requirements pertaining to the composition of the Board under Regulation 17(1) for the quarter ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020.	Fine of Rs. 5,31,000/- for quarter ended March, 2019; Rs. 5,36,900/- for quarter ended June, 2019; Rs. 5,42,800/- each for quarters ended September, 2019 and December 2019 and Rs. 5,36,000 for quarter ended March 2020 was levied by NSE.	The Listed entity is a Central Public Sector Enterprise (CPSE) under the administrative control of Department of Fertilizers, Ministry of Chemicals and Fertilizers. Being a CPSE, the Company is not empowered to appoint any Director on its own on the Board of the Company. In view of the above, the listed entity has made request to the NSE to waive the fines.

- 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
01	<p>The Board of Directors comprises eleven Directors, constituting of four Executive Directors (including the Chairman & Managing Director); two Nominee Directors and five Independent Directors.</p> <p>As per Regulation 17(1)(b) of the Listing Regulations, the Chairman being an Executive Director, at least half of the Board of Directors should be comprised of Independent Directors.</p> <p>The Listed entity does not have the requisite number of Independent Directors on its Board.</p>	March 31, 2019	<p>The 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 Department of Fertilizers (DoF), Ministry of Chemicals and Fertilizers.</p> <p>Being a CPSE, the Listed entity is not empowered to appoint any Director on its own on the Board of the Company. The Directors on the Board of the Company can only be appointed by the Government of India.</p> <p>The Listed entity is actively pursuing with its administrative Ministry for filling up the said vacancies of Independent Directors.</p>	<p>As Intimated by the officials of the Listed Entity, the Listed Entity is a Central Public Sector Enterprise (CPSE) under the administrative control of Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India.</p> <p>Accordingly, Listed entity is following up with the Ministry of Chemicals and Fertilizers, Government of India for filling the vacancy of the Independent Directors on the Board.</p>

As informed by the management, appointment of statutory Auditors at the Rashtriya Chemical and Fertilizers Limited (being the Govt. of India Undertaking) has been done by the Office of the Comptroller and Auditor General of India {C&AG} and the terms of appointment of the statutory auditor were issued by C&AG. Hence, we are unable to certify compliance by the listed entity with 6(A) and 6(B) of SEBI circular number CIR/CFD/CMDI/114/2019 dated October 18, 2019.

For **Bhandari & Associates**
Company Secretaries



S. N. Bhandari

Partner

FCS No: 761; C P No. : 366

Mumbai | July 29, 2020

UDIN: F000761B000524526