



# नेशनल फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

कॉरपोरेट कार्यालय : ए-11, सैक्टर-24, नोएडा - 201301

जिला गौतम बुद्ध नगर (उ.प्र.).

दूरभाष : 0120 2412294, 2412445, फ़ैक्स : 0120-2412397



## NATIONAL FERTILIZERS LIMITED

(A Govt. Of India Undertaking)

Corporate Office : A-11, Sector-24, Noida-201301,

Distt. Gautam Budh Nagar (U.P.)

Ph.: 0120-2412294, 2412445, Fax : 0120-2412397

No.NFL/SEC/SE/2019/ 1229

Dated: 29.05.2019

Asstt. Vice President (Listing),  
National Stock Exchange of India  
Limited, Registered Office  
(Exchange Plaza), C-1, Block-G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai-400051.

Dy. General Manager (Corp. Relations),  
Bombay Stock Exchange of India Limited  
25th Floor, P.J. Towers, Dalal Street,  
Mumbai – 400001.

**Sub: Annual Secretarial Compliance Report for the year ended March 31,2019 as per Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD 1/27/2019 dated February 8, 2019.**

Dear Sir,

In terms of Clause 3 (b) (iii) of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, we submit herewith the Annual Secretarial Compliance Report of the Company for the year ended March 31, 2019, issued by M/s. Agarwal S. & Associates, Practicing Company Secretaries.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For National Fertilizers Limited.

*R. Kumar*

(Raj Kumar)  
Company Secretary

Encl: As above



**SECRETARIAL COMPLIANCE REPORT  
OF  
NATIONAL FERTILIZERS LIMITED  
For the year ended 31<sup>st</sup> March, 2019**

We, Agarwal S. & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **National Fertilizers Limited** ("the listed entity/NFL"),
- (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 31<sup>st</sup> March, 2019 ("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) Regulation, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable for 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 for the period under review**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for the period under review**



- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the period under review**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable for the period under review**
- (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;

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) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.	The number of Independent Directors on the Board is less than fifty percent.	The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the Board Members. As explained by the management, National Fertilizers Limited (NFL) is a Government Company under the administrative control of the Department of Fertilizers (DoF). The Directors of the Company are appointed by the Government of India. The remuneration and tenure of Directors are also fixed by GOI. The Company is requesting from time to time, DoF for appointment of Independent Directors on the Board of the Company.
2.	Regulation 17 (10) of the Securities and Exchange Board of India (Listing	The performance evaluation of independent directors has not been	The entire Board of Directors shall carry out the performance evaluation of



	<p>Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors.</p>	<p>done by the entire Board of Directors.</p>	<p>Independent Directors. As explained by the management, the appointment of Chairperson, Functional Directors, Part-time Official Directors as well as Part-time non-Official Directors (Independent Directors) on the Board of NFL is made by Government of India (GOI). Further, terms &amp; conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of performance of Chairperson and Functional Directors by Administrative Ministry.</p>
<p>3.</p>	<p>Regulation 19 (4) read with Schedule II Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Nomination and Remuneration Committee shall:</p> <p>(a) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;</p> <p>(b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.</p>	<p>The Nomination and Remuneration Committee has not:</p> <p>(a) formulated the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;</p> <p>(b) formulated the criteria for evaluation of performance of Independent Directors and the Board of Directors.</p>	<p>The Nomination Committee shall formulate the said policies/criteria's.</p> <p>As explained by the management, the appointment of Chairperson, Functional Directors, Part-time Official Directors as well as Part-time non-Official Directors (Independent Directors) on the Board of NFL is made by Government of India (GOI). Further, terms &amp; conditions of appointment as well as tenure of all directors are also decided by GOI and there is a well laid down procedure for evaluation of performance of Chairperson and Functional Directors by Administrative Ministry.</p>



- (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/ 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.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended September 30, 2018.	NSE vide its letter dated November 05, 2018 has imposed a fine of Rs. 5,42,800/- inclusive of GST.	The Company has submitted a response vide their letter dated 28.11.2018 and has requested to waive off the penalty on the grounds that the Company is an Government Company and Independent Directors are appointed by Government of India.
2.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended September 30, 2018.	BSE vide its letter dated October 31, 2018 has imposed a fine of Rs. 5,42,800/- inclusive of GST.	The Company has submitted a response vide their letter dated 16.11.2018 and has requested to waive off the penalty on the grounds that the Company is an Government Company and all Independent Directors are appointed by Government of India.
3.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2018.	NSE vide its letter dated January 31, 2019 has imposed a fine of Rs. 5,42,800/- inclusive of GST.	The Company has submitted a response vide their letter dated 12.02.2019 and has requested to waive off the penalty on the grounds that the Company is an



				Government Company and Independent Directors are appointed by Government of India.
4.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2018.	BSE vide its letter dated January 31, 2019 has imposed a fine of Rs. 5,42,800/-inclusive of GST.	The Company has submitted a response vide their letter dated 12.02.2019 and has requested to waive off the penalty on the grounds that the Company is an Government Company and Independent Directors are appointed by Government of India.
5.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended March 31, 2019.	NSE vide its letter dated May 02, 2019 has imposed a fine of Rs. 5,31,000/-inclusive of GST.	The Company has submitted a response vide their letter dated 08.05.2019 and has requested to waive off the penalty on the grounds that the Company is an Government Company and Independent Directors are appointed by Government of India.
6.	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended March 31, 2019.	BSE vide its letter dated May 02, 2019 has imposed a fine of Rs. 5,31,000/-inclusive of GST.	The Company has submitted a response vide their letter dated 10.05.2019 and has requested to waive off the penalty on the grounds that the Company is an Government Company and Independent Directors are appointed by Government of India.



(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
N.A.	N.A.	N.A.	N.A.	N.A.

For Agarwal S. & Associates,  
Company Secretaries,

ICSI Unique Code: P2003DE049100



Signature: \_\_\_\_\_

*Karishma Singh*

Name of the Practicing Company Secretary: CS Karishma Singh

ACS No.: 26054

C P No.: 16055

Place: New Delhi

Date: 29<sup>th</sup> May, 2019