



**SECRETARIAL COMPLIANCE REPORT OF**  
**NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

We M/s. KBG Associates, Company Secretaries in Practice have examined all the documents and records made available to us and explanation provided by M/s. Nagarjuna Fertilizers and Chemicals Limited (“the listed entity”); the filings/ submissions made by the listed entity to the stock exchanges; website of the listed entity; any other document / filing (as may be relevant) which had been relied upon to make this certification for the year ended 31<sup>st</sup> March, 2022 (“Review Period”) in respect of compliance with the provisions of (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”); and (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”).

The specific Regulations, Circulars and Guidelines issued were examined include the below:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR**);
- (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; - *Not applicable for the period under review*;
- (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*;

KBG ASSOCIATES  
Hyderabad  
Company Secretaries



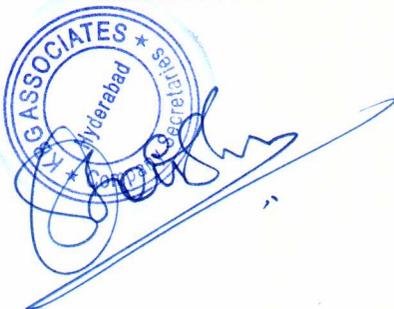
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and circulars/ guidelines issued thereunder;

Based on the above examination w.r.t provisions from (a) to (j) related to SEBI Act, We hereby report that, during the Review Period:

- (a) the listed entity has complied with the provisions of the above Regulations, Circulars and Guidelines issued there under for the FY 2021-22, except in respect of matters specified below:

Sl	Compliance Requirement	Deviations	Remarks of PCS
1.	As per Regulation 17(1) (b) of SEBI (LODR) Reg, 2015, where the Chairman of the board of directors is a nonexecutive director, atleast one third of the board of directors shall comprise of <b>Independent Directors</b> and where the listed entity does not have a regular non-executive chairperson, atleast half of the board of directors shall comprise of Independent directors.	At least 50% of the Board of the Company shall comprise of Independent Directors.  The Company is required to appoint one more Independent Director on the Board to meet the requirements of Regulations 17.	Justice Shri K C Bhanu (Rtd) has resigned from the office of Independent Directors of the Company with effect from June 19, 2021  The Company is in the process of identifying a suitable candidate for the appointment of Independent Director.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.



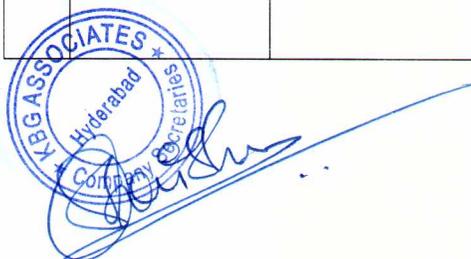
(c) The following are the details of actions taken against the listed entity / its promoters/ directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the SOP issued by SEBI through various circulars) for FY 2021-22 under the aforesaid Acts etc :

SI	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.	Stock Exchange	The Composition of the Board of Directors, in relation to the appointment of Independent Directors, is not in compliance with Regulation 17 (1).	Stock Exchanges have sought clarification in relation to Composition of the Board of Directors in terms of Regulation 17.  The company had made detailed representation to the exchanges.	We have given to understand that since the company was admitted to NCLT vide order dated 27-08-2021 and consequent upon the same not able to progress and identify suitable candidate to fill up the position with requisites competencies.
2.	We have been given to understand that there is no other Action Taken by Stock Exchange (s). However, the Company was in receipt of clarifications for which the Company duly replied to the Stock Exchange (s).			



(d) The listed entity has taken the following actions to comply with the observations made in previous reports for FY 2020-2021 :

SI	Observations of PCS in the previous reports	Observations made in SAR 2021	Actions taken by the listed entity, if any	Comments of PCS on actions taken
1.	SEBI Circular SEBI/HO/MI RSD/DOP1/ CIR/P/2018/7 3 dtd 20-04-2018;	As per said SEBI Circular; listed entities have to collect copy of PAN and bank account details of all securities holders in physical form, by sending a letter (s) as prescribed within timelines.	We have been informed that the company: (a) Has been displaying this requirement on the website & Requesting shareholders through its Annual Reports every year since 2017-18, (b) Also published on various occasions / dates in Business Standard and Andhra Prabha on 01-09-2018 and advertising in the newspapers every year along with the notice of AGM to the Shareholders since 2017-18. (c) As a standard operating procedure at our In-House Share Transfer Agency, the company is reiterating the implications of the SEBI Circular in all the correspondences (both in physical and electronically) made with the shareholders.	We were given to understand that the company made representation to SEBI, NSDL and CDSL to exempt the company from complying with the Circular.  This is purely due to involvement of huge financial burden and would also be in contradiction of green initiative of the SEBI and Government of India.
2.	Regulation 33 of SEBI (LODR) Regulations, 2015  Submission of Financial Statements to Stock Exchanges	The Company could not file the Annual Financial Statements and Unaudited Quarterly Financials within the due date	The Company had clarified to the Stock Exchanges on the detailed reasons for the delay in submitting the financial results to stock exchanges which have been accepted by the concerned.	We have been given to understand that due to COVID-19 pandemic, it impacted the functioning of various departments in the company.  The finalization of accounts and audit within the time limit prescribed and consequent upon the same delayed filings were made with SEBI





Sl	Observations of PCS in the previous reports	Observations made in SAR 2021	Actions taken by the listed entity, if any	Comments of PCS on actions taken
3.	Regulation 14 of SEBI (LODR) Regulations, 2015  Payment to Listing Fee to Stock Exchanges	The company could not make the payment of listing fee within prescribed timelines.	The Company paid the listing fee for the FY 2020-21 to both the Stock Exchange (s) on 26 <sup>th</sup> Nov, 2020	We have been given to understand that the delay in payment of listing fee is resulted due to COVID-19 pandemic and complete lockdown all over India.
4.	As per Regulation 31 of SEBI (LODR) Regulations, every listed entity has to submit shareholding pattern on quarterly basis within 21 days of end of the quarter.	The company could not file the shareholding pattern for the period ended 30-09-2020 within due date.	NSDL stopped access to beneficial possession to the Company wef 31-07-2020 due to delay in sending the Invoice for Annual Custodial Fee by NSDL for process and payment to the Company.	Hence, Company could not file Shareholding pattern ending 30-09-2020 within 21 days and the consequent delay had been brought to the Notice of Stock Exchanges with details explanations.  We were informed that the same was filed on 1 <sup>st</sup> Dec, 2020.

**For KBG Associates**  
**Company Secretaries**

Firm Regn No # P2009AP006100

**Srikrishna Chintalapati**  
**Partner**

**CP No: 6262**

**UDIN : F005984D000417527**



**Date: 28<sup>th</sup> May, 2022**  
**Place: Hyderabad**