

**SECRETARIAL COMPLIANCE REPORT**  
**for the Financial Year ended 31<sup>st</sup> March 2022**

**M/s. MADRAS FERTILIZERS LIMITED**

[Pursuant to Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
**MADRAS FERTILIZERS LIMITED**  
Manali, Chennai 600 068

Dear Sir/Madam,

We have conducted the Secretarial Compliance Audit of the applicable SEBI (Securities and Exchange Board of India) Regulations and the circulars/guidelines issued thereunder for the Financial Year ended as on 31<sup>st</sup> March 2022 for M/s **MADRAS FERTILIZERS LIMITED**, having CIN: L32201TN1966GOI005469, having Registered Office at Post Bag No.2, Manali, Chennai - 600 068, ("the Company"). The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined -

- a) the documents and Records, made available to us and explanation provided by the Company.
- b) the filings/ submissions made by the Company to the Stock exchanges, subject to the Notice dated 22<sup>nd</sup> November received from Stock Exchange for non-compliances made under Regulation 17(1), 17(2A), 18(1), 19(1)/19(2) & 20 of SEBI LODR Regulations, 2015, Notices dated 21<sup>st</sup> February 2022 received from Stock Exchange for non-compliances made under Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20 & 21 of SEBI LODR Regulations, 2015 and Notice dated May 20, 2022 received from Stock Exchange for non-compliances made under Regulation 17(1), 18(1), 19(1)/19(2), 20 & 21 of SEBI LODR Regulations, 2015.
- c) Website of the listed entity.
- d) Other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended as on March 31<sup>st</sup> 2022 (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 there under; 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"); are made wherever applicable.

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) The Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Provisions of 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, including the provisions with regard to disclosures and maintenance of records required under the said regulation.
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; were not applicable.
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; were not applicable
- (f) The provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; were not applicable
- (g) The provisions of Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; were not applicable.
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; including the provisions with regard to disclosure and maintenance of records required under the said Regulations;
- (i) The provisions of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (j) The provisions of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 were not applicable during the review period;

Based on our examination and verification of the documents and records produced to us and according to the information and explanations given to me by the Company, we report that:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sl.No.	Compliance requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Composition of Board of Directors - Imposed penalty for non-compliance by the company with regard to Regulation 17(1) of SEBI LODR Regulations, 2015	Board Composition is not as per the requirements of SEBI LODR Regulations, 2015.	Notice was issued by NSE in this connection with fine for the quarters ended September 30, 2021, December 31, 2021 and March 31, 2022. Three Non-Official Independent Directors (including one Woman Director) have been appointed on the Board of MFL by the Government of India vide letter F1.No.78/2/2006-HR-PSU (pt II) dated November 05, 2021 and F.N.78/2/2006-HR-PSU (pt.II) dated December 31, 2021 of Department of Fertilizers, Government of India. The Company is following-up with the GOI to appoint three more Independent Directors to comply with the SEBI Regulations.
2	Composition of Board of Directors, Audit Committee & Nomination and Remuneration Committee. - Imposed fine for non-compliance by the company with regard to Regulation 17(1), 17(2A) 18(1) and 19 (1)/(2), 20 and 21 of SEBI LODR Regulations, 2015	Board Composition, Audit Committee & Nomination and Remuneration Committee were not formed as per the requirements due to non-appointment of Independent Directors till December 2021	Notice was issued by NSE in this connection with fine for the quarters ended September 30, 2021 and December 31, 2021. Audit Committee, NRC, SRC & RMC were re-constituted in the Board Meeting of the Company held on Feb 10, 2022.

3	Composition of Board of Directors, Audit Committee & Nomination and Remuneration Committee. - Imposed fine for non-compliance by the company with regard to Regulation 17(1), 18(1), 19 (1)/(2), 20 and 21 of SEBI LODR Regulations, 2015	Not complied / Delayed complied with certain Listings and /or Depository Regulations	Notice was issued by NSE in this connection and fine was levied for 90 days for non-compliance with Regulation 17(1) and 18(1) and 40 days for Regulations 19(1)/(2), 20 and 21 of SEBI LODR Regulations 2015. The Company has been complying with the Listing Regulations 19(1)/(2), 20 and 21 effective February 10, 2022.
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- (b) The listed entity to the extent maintained 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/ 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 there under:

Sl.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	NSE	Non-compliance with SEBI Regulations 17(1), 17(2A), 18(1), 19(1)/19(2) and 20 for the quarter ended September 30, 2021	Fine of ₹ 12,05,960/- was paid by the Company, as per Notice issued by NSE. With the appointment of three Independent Directors on the Board, the Company is Complying with Regulations, except Regulation 17(1) from February 10, 2022 onwards. The Company is requesting the Government of India to appoint three more Independent Directors on its Board to comply with Regulation 17(1).	During the Audit it was advised & informed to the Company to take necessary measures to have a proper board composition under Regulation 17(1).
2	NSE	Board Composition, Audit Committee & Nomination and Remuneration Committee were not formed as per Clause 17(1), 18(1) and 19(1)/(2), 20 and 21 of SEBI (LODR) Regulations, 2015 for the quarter ended December 31, 2021	Fine of ₹ 13,52,280/- was paid by the Company, as per Notice issued by NSE. With the appointment of three Independent Directors on the Board, the Company is Complying with Regulations, except Regulation 17(1) from February 10, 2022 onwards. The Company is requesting the Government of India to appoint three more Independent Directors on its Board to comply with Regulation 17(1).	During the Audit it was advised to the Company to take necessary measures on complying with the Board composition as per Regulation 17(1).

3	Tamil Nadu Pollution Control Board (TNPCB),	NIL	NIL	NIL
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(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl.No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended.	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Non-compliance made under Regulation 17(1), 17(2A), 18(1), 19(1)/19(2) 20 & 21 of SEBI LODR	Board Composition and Audit Composition are as per Clause 17(1) and 18(1) of SEBI (LODR) Regulations, 2015 respectively	<p>The Company has been complying with the Regulations 19(1)/(2), 20 &amp; 21 of SEBI (LODR) Regulations, 2015 from February 10, 2022 onwards.</p> <p>The Company is vigorously following with Department of Fertilizers, Ministry of Chemicals &amp; Fertilizers, Government of India for the appointment of three more Independent Directors on the Board.</p>	NIL

- All the observations in the report for the year ended 31st March, 2022 along with the actions taken by the listed entity on those observations.
- The observations in the reports pertaining to the year ended 31st March, 2022 and earlier, in case the entity has not taken sufficient steps to address the concerns raised/ observations in those reports.

Yours Faithfully  
For V.Esaki & Associates  
Company Secretaries

(V.Esaki)  
Proprietor / Membership No: 30353  
UDIN: \_\_\_\_  
Place : Chennai  
Date : 20/05/2022