

**Secretarial Compliance Report of
“National Aluminium Company Limited” For the year ended 31.03.2021.**

We, M/s. Deba Mohapatra & Co, Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by National Aluminium Company 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 31.03.2021 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, as amended.
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable during the period under report**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
- (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 during the period under report**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the period under report**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-convertible and Redeemable Preference Shares) Regulations, 2013; **Not applicable during the period under report**



(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;

and circulars/ guidelines issued thereunder.

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>(i) As per Regulation 17(1) (a) of SEBI (LODR) Regulations, 2015 (The Regulations), Board of Directors shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors.</p> <p>(ii) As per Regulation 17(1) (b) of the Regulations, if the listed Company does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors.</p> <p>(iii) The quorum for every meeting of the Board of Directors shall be one-third of</p>	<p>(i) Half of the Board does not comprise of Non-Executive Directors and there is no Woman Independent Director on the Board.</p> <p>(ii) Half of the Board is not Independent.</p> <p>(iii) Quorum not met for the 323rd, 324th, 325th, 326th, 327th and 328th Board</p>	<p>(i) As on 31.03.2021, there were six (6) directors in total on the Board comprising of 4 Executive Directors including Chairman-cum-Managing Director and 2 Non-executive Directors who were Part-time official Directors. There is no woman Independent Director on the Board w.e.f. 08.09.2021. Hence, the composition of the Board is not in compliance with the provisions under Regulation 17(1)(a) of the SEBI (LODR) Regulations, 2015.</p> <p>(ii) The Board is without any Independent Director w.e.f. 08.09.2020. As on 31.03.2021, there were 4 Executive Directors including Chairman-cum-Managing Director and 2 Non-executive Directors who were Part-time official Directors. Hence, this composition of the Board is not in compliance with the provisions under Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015.</p> <p>(iii) The Board is without any Independent Director w.e.f. 08.09.2020. As per the provisions</p>



	its total strength or three directors, whichever is higher, including at least one independent director.	Meetings held on 11.11.2020, 18.11.2020, 27.01.2021, 12.02.2021, 15.03.2021 and 23.03.2021 respectively during the financial year ended 31.03.2021.	under SEBI (LODR) Requirements, the quorum for Board meeting is one-third of its total strength or three directors, whichever is higher, including at least one independent director. Accordingly, Board meetings have taken place between 08.09.2020 to 31.03.2021 without proper quorum.
2.	<p>(i) As per Regulation 18(1) (a) of the Regulations, the Audit Committee shall have minimum three directors as members.</p> <p>(ii) As per Regulation 18(1) (b) of the Regulations, two-thirds of the members of Audit Committee shall be independent directors.</p> <p>(iii) As per Regulation 18(1) (c) of the Regulations, all members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.</p> <p>(iv) As per Regulation 18(1) (d) of the Regulations, the chairperson of the audit committee shall be an independent director.</p>	<p>(i) After cessation of office of 2 Independent Directors w.e.f. 05.09.2020 and 07.09.2020, the Audit Committee has not been re-constituted.</p> <p>--</p> <p>(iii) Before the cessation of 2 Independent Directors, members of the Audit Committee were not financially literate and no member in the Committee having accounting or related financial management expertise.</p> <p>--</p>	<p>The composition of Audit Committee should be minimum three directors and two-third members of the Committee should be Independent Directors. After cessation of office of 2 Independent Directors w.e.f. 05.09.2020 and 07.09.2020, the Audit Committee has not been re-constituted. No Audit Committee meeting has taken place since then. All agenda items which were are required to be placed before Audit Committee, were placed before the Board of Directors for deliberation.</p>



	<p>(v) As per Regulation 18(2) (a) of the Regulations, the audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.</p> <p>(vi) The chairperson of the audit committee shall be an independent director and he shall be present at Annual general meeting to answer shareholder queries.</p>	<p>(v) The 125th and 126th meetings of Audit Committee were held on 26.06.2020 and 04.09.2020 respectively. After cessation of office of 2 Independent Directors w.e.f. 05.09.2020 and 07.09.2020, the Audit Committee has not been re-constituted.</p> <p>(vi) Due to absence of Independent Director, the position of Chairman was vacant on the date of 39th AGM held on 30.09.2020. Hence, Chairman of the Committee was not present during the 39th AGM.</p>	
3.	<p>(i) As per Regulation 19 (1) of the Regulations, the Company shall have a Nomination & Remuneration Committee comprise of at least three directors. All directors of the committee shall be non-executive directors and at least fifty percent of the directors shall be independent directors.</p> <p>(ii) As per Regulation 19 (2) of the Regulations, the Chairperson of the nomination and remuneration committee shall be an independent director.</p>	<p>(i) After cessation of office of 2 Independent Directors from the Board w.e.f. 05.09.2020 and 07.09.2020, the Nomination & Remuneration Committee has not been re-constituted w.e.f. 08.09.2020.</p> <p>(ii) Due to absence of Independent Director, the position of Chairman was vacant on the date of 39th AGM held on 30.09.2020. Hence, Chairman of the Committee was not present during the 39th AGM.</p> <p>--</p>	<p>The composition of Nomination & Remuneration Committee should be minimum three directors. All directors should be non-executive directors and at least fifty percent of the directors should be independent directors. After cessation of office of 2 Independent Directors from the Board w.e.f. 05.09.2020 and 07.09.2020, the Nomination & Remuneration Committee has not been re-constituted w.e.f. 08.09.2020. No Nomination & Remuneration Committee meeting has taken place since then. All agenda items which were required to be placed before Nomination & Remuneration Committee, were placed before the Board of Directors.</p>



	<p>(iii) Regulation 19 (3A) of the Regulations, the committee should meet at least once in a year.</p> <p>(iv) The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.</p>	--	
4.	<p>(i) As per Regulation 20 of the Regulations, the chairperson of the Stakeholders Relationship committee shall be a non-executive director and at least three directors, with at least one being an independent director, shall be members of the Committee.</p> <p>(ii) The stakeholders relationship committee shall meet at least once in a year</p> <p>(iii) The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.]</p>	<p>(i) After cessation of office of 2 Independent Directors from the Board w.e.f. 05.09.2020 and 07.09.2020, the Stakeholders Relationship Committee has not been re-constituted w.e.f. 08.09.2020.</p> <p>(ii) The 22nd meeting of Stakeholders Relationship Committee was held on 31.08.2020. After that, the Committee has not been re-constituted, since there were no Independent Directors w.e.f. 08.09.2020.</p> <p>(iii) Due to absence of Independent Director, the position of Chairman was vacant on the date of 39th AGM held on 30.09.2020. Hence, Chairman of the Committee was not present during the 39th AGM.</p>	<p>The composition of Stakeholders Relationship Committee should be minimum three directors with at least one being an Independent Director. After cessation of office of 2 Independent Directors from the Board w.e.f. 05.09.2020 and 07.09.2020, the Stakeholders Relationship Committee has not been re-constituted w.e.f. 08.09.2020. All agenda items which were required to be placed before Stakeholders Relationship Committee, were placed before the Board of Directors.</p>

(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 initiated against the listed entity/ its promoters/ directors/ material subsidiaries by SEBI/Stock Exchanges (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 of India Limited	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the quarter ended 31.03.2020	Penalty Imposed: Rs.2,41,900/- (including GST @ 18% on basic fine amount of Rs.2,05,000/-)	The matter was informed to the Administrative Ministry vide letter dt.16.09.2020. Further, as advised by NSE, it was placed before the 323 rd meeting of Board of Directors held on 11.11.2020 and decision of the Board was informed to NSE on 01.12.2020.
2.	BSE Limited	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the quarter ended 30.06.2020	Penalty Imposed: Rs.5,36,900 (including GST @ 18% on basic fine amount of Rs.4,55,000/-)	The matter was informed to the Administrative Ministry vide letter dt.24.08.2020. Further, as advised by BSE, it was placed before the 322 nd meeting of Board of Directors held on 04.09.2020 and decision of the Board was informed to BSE on 28.10.2020.
3.	National Stock Exchange of India Limited	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the quarter ended 30.06.2020	Penalty Imposed: Rs.5,36,900 (including GST @ 18% on basic fine amount of Rs.4,55,000/-)	The matter was informed to the Administrative Ministry vide letter dt.04.09.2020. Further, as advised by NSE, it was placed before the 322 nd meeting of Board of Directors held on 04.09.2020 and decision of the Board was informed to NSE on 28.10.2020.
4.	BSE Limited	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the quarter ended 30.09.2020	Penalty Imposed: Rs.5,42,800 (including GST @ 18% on basic fine amount of Rs.4,60,000/-)	The matter was informed to the Administrative Ministry vide letter dt.11.11.2020. Further, as advised by BSE, it was placed before the 324 th meeting of Board of Directors



				held on 18.11.2020 and decision of the Board was informed to BSE on 18.12.2020.
5.	National Stock Exchange of India Limited	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the quarter ended 30.09.2020	Penalty Imposed: Rs.5,42,800 (including GST @ 18% on basic fine amount of Rs.4,60,000/-)	The matter was informed to the Administrative Ministry vide letter dt.07.12.2020. Further, as advised by NSE, it was placed before the 326 th meeting of Board of Directors held on 12.02.2021 and decision of the Board was informed to NSE on 09.03.2021.
6.	BSE Limited	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the quarter ended 31.12.2020	Penalty Imposed: Rs.8,23,640/- (including GST @ 18% on basic fine amount of Rs.6,98,000/-)	The matter was informed to the Administrative Ministry vide letter dt.16.02.2021. Further, as advised by BSE, it was placed before the 327 th meeting of Board of Directors held on 15.03.2021 and decision of the Board was informed to BSE on 09.04.2021.
7.	BSE Limited	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the quarter ended 31.03.2021	Penalty Imposed: Rs.12,15,400/- (including GST @ 18% on basic fine amount of Rs.10,30,000/-)	The matter was informed to the Administrative Ministry vide letter dt. 20.05.2021. Further, as advised by BSE, it will be placed before the 329 th meeting of Board of Directors and thereafter, the decision of the Board will be informed to BSE.

Note: BSE, vide their letter dated 19.04.2021 have waived the penalties for the quarters ended 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 the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	During the financial year under review the composition of the Board	At the beginning of the of the financial year 2019-20, there were	President of India is the appointing authority for the Directors as per	The Company is taking up the matter with the Administrative Ministry on regular



<p>was in compliance with the provisions of Regulation 17(1) (a) and Regulation 17(1) (b) of the Regulations from 01.04.2019 to 20.11.2019. However, the composition was not in compliance with the provisions of Regulation 17(1) (a) and Regulation 17(1) (b) of the Regulations from 21.11.2019 to 30.11.2019.</p> <p>Further, the composition was in compliance with the provisions of Regulation 17(1) (a) of the Regulations from 01.12.2019 to 02.02.2020 but not in compliance with the provisions of Regulation 17(1) (b) of the Regulations for the said period.</p> <p>Again, the composition was not in compliance with the provisions of Regulation 17(1) (a) & 17(1) (b) of the Regulations from 03.02.2020 to 31.03.2020.</p>	<p>Sixteen (16) Directors comprising of Six (6) Executive Directors including Chairman-cum- Managing Director, Two (2) Non-Executive Official Directors and Eight (8) Non-Executive Non-Official (Independent) Directors on the Board.</p> <p>This composition was in compliance with the provisions under Regulation 17(1) (a) and Regulation 17(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>On 20.11.2019, Five (5) Independent Directors ceased to hold office on completion of their tenure. The total strength of the Board was reduced to eleven (11) Directors comprising Six (6) Executive Directors Two (2) Non-executive official Directors and Three (3) Non-executive Non-official Directors (Independent) Directors w.e.f 21.11.2019.</p>	<p>the Articles of Association of the Company.</p> <p>Matter has been taken up with the Administrative Ministry for early appointment of Independent Directors for compliance of the provisions of Companies Act, 2013.T</p>	<p>basis for early appointment of requisite no. of Independent Directors on the Board.</p> <p>The action taken by the Company are self-explanatory and do not call for any further comment.</p>
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On cessation of office of CMD on attaining superannuation on 30.11.2019, the total strength of the Board was further reduced to Ten (10) Directors comprising Five (5) Executive Directors, Two (2) Non-Executive Official Directors and Three (3) Non-Executive Non-Official (Independent) Directors.

Director (Finance) was given additional charge of CMD w.e.f. 01.12.2019.

Subsequently, he was appointed as Chairman-cum-Managing Director w.e.f. 17.12.2019 and the post of Director (Finance) remained vacant from 17.12.2019.

Further, one (1) more Independent Director ceased to hold office on 02.02.2020 on completion of her tenure.

The composition of the Board was further reduced to Nine (9) Directors comprising Five (5) Executive Directors, Two (2) Non-Executive Official Directors and Two (2)



		<p>Non-Executive Non-Official (Independent) Directors w.e.f 03.02.2020.</p> <p>NALCO is a CPSE under the administrative control of Ministry of Mines, Government of India. The Independent Directors for the CPSEs are appointed by the Government of India. Matter has been referred to the Ministry of Mines for nominating and appointing requisite number of Independent Directors.</p>		
2.	<p>All members of the Audit Committee are financially literate but there is no member in the Committee having accounting or related financial management expertise.</p>	<p>The Audit Committee composition was in compliance with Regulation 18 of the Regulations from 01.04.2019 to 20.11.2019.</p> <p>After cessation of Five (5) Independent Directors on 20.11.2019, although the Committee is in compliance with Regulation 18(1) (a) & (b) of the Regulation but not in compliance with Regulation 18(1) (c) of the Regulation.</p>	<p>President of India is the appointing authority for the Directors as per the Articles of Association of the Company.</p> <p>Matter has been taken up with the Administrative Ministry for early appointment of Independent Directors for compliance of the provisions of Companies Act, 2013.</p> <p>After appointment of Independent Directors, the Audit Committee would</p>	<p>The Company is taking up the matter with the Administrative Ministry on regular basis for early appointment of requisite no. of Independent Directors on the Board.</p> <p>The action taken by the Company are self-explanatory and do not call for any further comment.</p>



			be reconstituted with all members being financially literate and Chairman having accounting or related financial management expertise.	
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Place: Bhubaneswar
Date: 28/05/2021
UDIN: F009393C000389311



For Deba Mohapatra & Co.
Company Secretaries

Agarwal

CS Anchal Agarwal, Partner
FCS No. 9393, CP No. 10548