



इंडियन रेलवे फाइनेन्स कॉर्पोरेशन लिमिटेड

(भारत सरकार का उपक्रम) (सी आई एन : L65910DL1986GOI026363)

पंजीकृत कार्यालय : रूम नं. 1316 & 1349, तीसरी मंजिल, दि अशोक, डिप्लोमैटिक एन्क्लेव 50-बी, चाणक्यपुरी, नई दिल्ली-110021

दूरभाष : 011-24100385

INDIAN RAILWAY FINANCE CORPORATION LTD.

(A Government of India Enterprise) (CIN : L65910DL1986GOI026363)

Regd. Office : Room Nos. 1316 – 1349, 3rd Floor, The Ashok, Diplomatic Enclave:- 50-B, Chanakyapuri, New Delhi-110021

Phone : 011-24100385, E-mail : info@irfc.nic.in, Website : www.irfc.nic.in

No: IRFC/SE/2022-23/14

24th May 2022

National Stock Exchange of India Limited Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051 Scrip Symbol: IRFC	BSE Limited Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001 Scrip Code: 543257
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Sub: Annual Secretarial Compliance Report for the year ended 31st March 2022

Sir/ Madam,

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find herewith the Annual Secretarial Compliance Report dated 24th May 2022 for the year ended 31st March 2022 issued by M/s Navneet K Arora & Co LLP (Practicing Company Secretaries), New Delhi.

This is submitted for your information and record.

Thanking You,

For Indian Railway Finance Corporation Limited

(Vijay Babulal Shirode)
Company Secretary & Compliance Officer



Enclosure: As above

(Signature)

SECRETARIAL COMPLIANCE REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[Pursuant to regulation 3.b. of SEBI Circular No CIR/CFD/ CMD1 /27/2019 dated 8th February 2019
under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
Indian Railway Finance Corporation Limited
CIN: L65910DL1986GOI026363
Registered Office: Room No 1316-1349, 3rd Floor
Hotel The Ashok Diplomatic Enclave,
50-B, Chanakyapuri,
New Delh-110021

We M/s Navneet K Arora & Co LLP have examined:

- all the documents and records made available to us and explanation provided by **Indian Railway Finance Corporation Limited** ("the listed entity/Company"),
- 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 has been relied upon to make this certification,

for the financial year ended **31st March, 2022** ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- 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 to the extent applicable during the period under review include: -

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not Applicable on the Company during the Review Period]

- c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- e) Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008;
- f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not Applicable on the Company during the Review Period];
- g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not Applicable on the Company during the Review Period];
- h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; [Not Applicable on the Company during the Review Period];
- i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (to the extent applicable)
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) and 17(2A) of SEBI (LODR) Regulations, 2015	During the period under review the composition of Board including failure to appoint Independent woman director and quorum of meetings was not in compliance as per SEBI (LODR) Regulations, 2015 due to non-availability of requisite number of Independent Directors.	During the period under review, the Company did not have requisite number on Independent Directors on its Board. Further, as informed, Company / IRFC being a Government Company, the power to appoint Directors vests with the President of India through administrative ministry i.e., Ministry of Railways (MoR) and Company has no control in the appointment of Directors on its Board.

Navneet K Arora & Co LLP Company Secretaries - LLPIN: AJ-0972

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Annual Secretarial Compliance Report –Indian Railway Finance Corporation Limited



			The Company has been requesting and following up with its administrative ministry i.e., Ministry of Railways (MoR) for appointment of requisite number of independent Directors on its Board. Further, two (2) Independent Directors (including one women independent director) were appointed by the Ministry of Railways (MoR) on November 09, 2021 for a period of three years and the same has been duly intimated to the stock exchanges and accordingly the committees of Board were also reconstituted w.e.f November 24, 2021. There is requirement of two (2) more Independent Directors on its Board. Once the requisite number of independent directors are appointed by Ministry of Railways, the Company will be in compliance with SEBI (LODR) Regulations, 2015.
2.	Regulation 18(1) of SEBI (LODR) Regulations, 2015	Composition of Audit Committee was not in compliance as per SEBI (LODR) Regulations, 2015 due to non-availability of requisite number of Independent Directors.	Same as above
3.	Regulation 19(1)/19(2) of SEBI (LODR) Regulations, 2015	Composition of Nomination and remuneration committee was not in compliance as per SEBI (LODR) Regulations, 2015 due to non-availability of requisite number of Independent Directors.	Same as above
4.	Regulation 20(2) / (2A) and 21(2) of SEBI (LODR) Regulations, 2015	Composition of Stakeholder Relationship Committee was not in compliance as per SEBI (LODR) Regulations, 2015 due to non-availability of requisite number of Independent Directors.	Same as above

5.	Regulation 21(2) of SEBI (LODR) Regulations, 2015	Composition of Risk Management Committee was not in compliance as per SEBI (LODR) Regulations, 2015 due to non-availability of requisite number of Independent Directors.	Same as above
6.	Regulation 23 (9) of SEBI (LODR) Regulations, 2015	Disclosure of Related party transactions for the half year ended 31 st March, 2021 and 30 th September, 2021	Company has made the necessary disclosure for the year ended 31st March 2021 in notes to accounts on page Nos. 189 & 190 in the Annual Report of the Company and submitted to the exchanges. Further, disclosure for the half year ended 30th September, 2021 has been submitted by the Listed entity on 14th January, 2022 to the stock exchanges. Company has requested to stock exchanges to consider the submission of disclosure of Related Party Transactions as on the date of filing of financial results.

- 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:



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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 & NSE	(i) Regulation 17(1), 18(1) & 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 31st March, 2021; (ii) Regulation 17(1), 18(1) & 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 30th June, 2021; (iii) Regulation 17(1), 17(2A), 18(1) & 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 30th September 2021; and (iv) Regulation 17(1), 17(2A), 18(1), 19(1) / 19(2), 20(2) / (2A) and 21(2) of SEBI (LODR) Regulations, 2015 for the quarter ended 31st December, 2021	BSE & NSE levied monetary fines for non-compliance with SEBI (LODR) Regulations, 2015 related to appointment of Independent Director, Composition of Audit, Board of Directors, Nomination & Remuneration Committee.	The Listed entity (Company/IRFC) has submitted a request to the stock exchanges from time to time that being a Government Company, the power to appoint Directors on its Board vests with the President of India through administrative ministry i.e., Ministry of Railways (MoR) and Company has no control in the appointment of Directors on its Board. The Company has been requesting and following up with its administrative ministry i.e., Ministry of Railways (MoR) for appointment of requisite number of Independent Directors on its Board. Therefore, the Listed entity has requested BSE & NSE to waive off all the fines imposed on the Company.



2.	BSE & NSE	Regulation 23(9) of SEBI (LODR) Regulations, 2015 for the half year ended 31 st March, 2021 and 30 th September, 2021	BSE & NSE levied monetary fines for disclosure of Related Party Transactions.	The listed entity has clarified to the stock exchanges in regard to disclosure under regulation 23(9) for the half year ended 31st March, 2021, that IRFC is a Government entity as 86.36% equity shareholding of the Company is held by the President of India through Ministry of Railways, Government of India. Further, as per the provisions of para 25 of Ind AS 24, 'Related Party Transactions', Company is exempted from disclosure regarding 'Related Party Transactions' being a government related entity. The Company is only having a related party transactions with MOR and Govt. owned entities i.e. Rail Vikas Nigam Limited and IRCON International Limited under the same administrative ministry. IRFC being a government related entity, it has been requested to stock exchanges to consider the disclosure of related party transaction on 29th June, 2021 being the date of submission of financial results. Company has made the necessary disclosure for the year ended 31st March 2021 in notes to accounts on page Nos. 189 & 190 in the Annual Report of the Company and submitted to the exchanges. Further, disclosure for the half year ended 30th September, 2021 has been submitted by the Listed entity on January 14, 2022 to the stock exchanges & Company has requested to stock exchanges to consider the submission as the date of quarterly filing of financial results. Therefore, the Listed entity has requested BSE & NSE to waive off all the fines imposed on the Company.
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- 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 31 st March 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Regulation 17 (1) (a), 18 & 19 of SEBI (LODR) Regulations, 2015	Company's equity shares got listed on 29th January 2021. During the period, the Board of Directors has five Directors comprising two Executive Directors, Two Non-Executive Directors (Govt. Nominees) and one Independent Director. Company should have three more Independent Directors in compliance of the Regulations 17 (1) (a) of SEBI (LODR) Regulations 2015. Also due to non-compliance in the appointment of optimum combination of Independent Directors in the Board of Directors, the Composition of Audit Committee, Nomination and Remuneration Committee were also not in consonance with the Regulation 18 & 19 of SEBI (LODR) Regulations 2015. The company has submitted in its Quarterly corporate governance report for the quarter ended 31st March, 2021 to the Stock Exchanges that the Company is a Government Company. The power to appoint Directors vests with Government of India through Ministry of Railways (MoR) and Company has no role to play in it. The Company has already requested Government for appointment of Requisite number of Independent Directors. In absence of non-appointment of Independent Directors, the listed entity could not comply with the provisions of Regulation 17(1) (a), 18 and 19 of the SEBI (LODR) Regulations, 2015.	The Listed entity has submitted to the stock exchange that no fine shall be levied on the Company as IRFC being a Government Company, the power to Directors on its Board vests with the President of India through Ministry of Railways (MoR) and Company has no control in the appointment of Directors on its Board.	Listed entity has submitted a request to stock exchanges as per Uniform Carve Outs for SOP Fines Levied as per the provisions of SEBI SOP circular which stipulates Policy for Exemption of Fines Levied. Further, the non-compliance is beyond the control of the listed entity, IRFC. Also, the Company has from time to time taken up the matter of appointment of requisite number of independent directors with its administrative ministry i.e., Ministry of Railways.

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			The Company has been requesting and following up with its administrative ministry i.e., Ministry of Railways (MoR) for appointment of requisite number of independent Directors on its Board.	Once the requisite number of Independent Directors are appointed by the Ministry of Railways, the Company will be in compliance with SEBI (LODR) Regulations, 2015.
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For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner

FCS: 3214, COP: 3005

[ICSI Firm Unique Identification Code: P2009DE061500]

UDIN: F003214D000376611

Place: New Delhi

Date: 24th May 2022



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