



SECRETARIAL COMPLIANCE REPORT
OF
IFCI LIMITED

For the year ended 31st March, 2022

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

- (a) all the documents and records made available to us and explanation provided by **IFCI Limited** ("the listed entity/IFCI"),
- (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 31st 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 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;
- (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;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (g) Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- (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)(a)& (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	<ul style="list-style-type: none"> • No Independent Woman Director on the Board of the Company during the period under review. • No Independent Director on the Board of Company during the period under review. 	<p><i>Company being a Listed entity:-</i></p> <ul style="list-style-type: none"> • <i>Should have at least one Independent Woman Director.</i> • <i>Should have minimum number of Independent Directors as per requirement.</i>
2.	Regulation 17(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The performance evaluation process was not carried out, for/by Independent Directors during the period under review.	<i>In the absence of Independent Directors during the period under report, the requisite evaluation for/by Independent Directors could not be carried out, during the period under review.</i>
3.	Regulation 18, 19, 20 and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.	The composition of <i>Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee</i> were not complying with the statutory requirements during the period under review.	<i>In absence of Independent Directors, the composition of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee were not complying with the statutory requirements during the period under review.</i>

- 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 by 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 Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th June, 2021.	NSE vide its letter dated August 20, 2021 has imposed a fine of Rs. 11,92,980/- (including taxes)	The Company has submitted a response vide their letter dated 27.08.2021 and has requested the Stock Exchange not to impose the fine and any other subsequent actions on the Company, since the appointment of Independent Directors on the Board of IFCI is done by Department of Financial Services, being the Ministry Administratively in charge of the Company.
2.	BSE Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20(2)/(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th June, 2021.	BSE vide its email dated August 20, 2021 has imposed a fine of Rs. 11,92,980/- (including taxes)	The Company has submitted a response vide their letter dated 27.08.2021 and has requested the Stock Exchange not to impose the fine and any other subsequent actions on the Company, since the appointment of Independent Directors on the Board of IFCI is done by Department of Financial Services, being the Ministry Administratively in charge of the Company.

3.	National Stock Exchange Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2) and 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th September, 2021.	NSE vide its letter dated November 22, 2021 has imposed a fine of Rs. 12,29,560/- (including taxes)	The Company has submitted a response vide their letter dated 01.12.2021 and has requested the Stock Exchange not to impose the fine and any other subsequent actions on the Company, since the appointment of Independent Directors on the Board of IFCI is done by Department of Financial Services, being the Ministry Administratively in charge of the Company.
4.	BSE Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20(2)/(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 30 th September, 2021.	BSE vide its email dated November 22, 2021 has imposed a fine of Rs. 12,29,560/- (including taxes)	The Company has submitted a response vide their letter dated 01.12.2021 and has requested the Stock Exchange not to impose the fine and any other subsequent actions on the Company, since the appointment of Independent Directors on the Board of IFCI is done by Department of Financial Services, being the Ministry Administratively in charge of the Company.
5.	National Stock Exchange Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/ 19(2), 20 and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 31 st December, 2021.	NSE vide its letter dated February 21, 2022 has imposed a fine of Rs. 13,52,280/- (including taxes)	The Company has submitted a response vide their letter dated 04.03.2022 and has requested the Stock Exchange not to impose the fine and any other subsequent actions on the

				Company, since the appointment of Independent Directors on the Board of IFCI is done by Department of Financial Services, being the Ministry Administratively in charge of the Company.
6.	BSE Limited	Regulation 17(1), 17(2A), 18(1), 19(1)/ 19(2), 20(2)/(2A) and 21(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended 31 st December, 2021.	BSE vide its email dated February 21, 2022 has imposed a fine of Rs. 13,52,280/- (including taxes)	The Company has submitted a response vide their letter dated 04.03.2022 and has requested the Stock Exchange not to impose the fine and any other subsequent actions on the Company, since the appointment of Independent Directors on the Board of IFCI is done by Department of Financial Services, being the Ministry Administratively in charge of the Company.

Note:- Letters from NSE & BSE are yet to be received in respect of Quarter ended March 31, 2022.

- d. The listed entity has taken the following actions to comply with the observations made in previous report:

Sr. No	Observations of the Practicing Company Secretary in the previous report	Observations made in the previous secretarial compliance report for the year ended 31.03.2021	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)& (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)	<p><i>Company being a Listed entity:-</i></p> <ul style="list-style-type: none"> <i>Should have at least one Woman</i> 	Ms. Anindita Sinharay,	<i>Company should comply with SEBI (Listing Obligations and Disclosure Requirements)</i>

	Regulations, 2015	<p><i>Director</i></p> <ul style="list-style-type: none"> • <i>Should have at least one Independent Woman Director</i> • <i>Should have minimum number of Independent Directors as per requirements.</i> 	<p>Women Director, was appointed by the Board on January 05, 2021.</p> <p>Further, the Department of Financial Services (DFS), Ministry of Finance (MOF), being the Ministry Administratively in-charge of the Company, the Competent Authority to appoint Independent Directors in terms of Section 149(6)(a) of the Companies Act, 2013, had been requested to appoint / nominate Independent Directors on the Board of the Company. Letters have been written to GOI and appointments are awaited.</p>	<p><i>Regulations, 2015.</i></p> <p><i>The Company should continue to pursue with Competent Authority to appoint requisite number of Independent Directors in the Company.</i></p>
2.	Regulation 17(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	There were less than six Directors during period from December 16, 2020 to January 04, 2021.	Ms. Anindita Sinharay was appointed by the Board on January 05, 2021. Thus the number of	

			<p>Directors on the Board was six, w.e.f. January 05, 2021.</p> <p>Further, during the FY 2021-22 the total number of Directors on the Board of the Company were 7, post appointment of MD & CEO w.e.f. June 12, 2021.</p>	
3.	Regulation 17(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	<i>In the absence of Independent Directors during the previous F.Y. 2020-2021 under report, the requisite evaluation for/by Independent Directors could not be carried out.</i>	The Department of Financial Services (DFS), Ministry of Finance (MOF), being the Ministry Administratively in-charge of the Company, the Competent Authority to appoint Independent Directors in terms of Section 149(6)(a) of the Companies Act, 2013, had been requested to appoint / nominate Independent Directors on the Board of the Company. Letters have been written to GOI and	
4.	Regulation 18, 19 and 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.	<i>In absence of Independent Directors during the previous F.Y. 2020-2021, the composition of Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee were not complying with the statutory requirements.</i>		

			appointments are awaited.	
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- e. As informed by the management, appointment of listed entity's statutory auditor has been done by the office of the Comptroller and Auditor General of India (C&AG). Appointment letter also contains terms of appointment to the statutory auditors. Since, terms of appointment were communicated by the C&AG, compliance by listed entity with 6(A) and 6(B) of SEBI circular number CIR/CFD/CMD1/114/2019 dated October 18, 2019 is not applicable. Accordingly, we can't certify said compliance.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

CS Garima Grover
Partner
ACS No.: 27100
CP No.: 23626

Place: New Delhi
Date: 11.05.2022
UDIN: A027100D000300835

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for expression of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors, if any.
4. Wherever required, we have obtained the Management representation/reports/certificates of technical subject experts about the compliance of laws, rules and regulations, happening of events, etc. and relied upon.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Compliance Report is to be read along with Secretarial Audit Report of the corresponding period.
7. The Secretarial Compliance Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

CS Garima Grover
Partner
ACS No.: 27100
CP No.: 23626

Place: New Delhi
Date: 11.05.2022