

**Secretarial Compliance Report of IRCON International Limited for the
year ended March 31, 2021**

To,
The Board of Directors,
IRCON INTERNATIONAL LIMITED
CIN: L45203DL1976GOI008171
Plot No. C-4, District Centre, Saket
New Delhi-110017

We have examined:

- (a) all the documents and records made available to us and explanation provided by **IRCON International Limited** (hereinafter called "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 on March 31, 2021 (hereinafter called "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) Regulations, 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; **[Not Applicable as the listed entity has not bought back/proposed to buy-back any of its securities during the Review Period];**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable as the listed entity has not offered any shares or granted any options pursuant to any employee benefit scheme during the Review Period];**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable as the listed entity has not issued and listed any debt securities during the Review Period];**

- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **[Not Applicable as the listed entity has not issued and listed any preference shares during the Review Period];**
- (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 **(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), 18, 19 and 20 of the SEBI (LODR) Regulations, 2015	<p>Non-compliance with the provisions pertaining to board composition [Regulation 17(1)] for the quarters ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021.</p> <p>Non-compliance with the provisions pertaining to composition of Audit Committee (Regulation 18) and composition of Nomination and Remuneration Committee (Regulation 19) for the quarters ended September 30, 2020 (20-09-2020 to 30-09-2020), December 31, 2020 and March 31, 2021.</p> <p>Non-compliance with the provisions pertaining to composition of Stakeholders Relationship Committee (Regulation 20) for the quarters ended March 31, 2021 (08-03-2021 to 31-03-2021).</p>	<p>The Listed Entity (IRCON) has clarified to the Stock Exchanges that the Company is a Government Company and the Directors including the Independent Directors of the listed entity are appointed by the Government of India.</p> <p>In absence of non-appointment of independent directors, the listed entity could not comply with the provisions of Regulation 17(1), 18, 19 and 20 of the SEBI (LODR) Regulations, 2015 during the quarters indicated in the deviations column.</p>
2.	Regulation 25(3) of the SEBI (LODR) Regulations, 2015	Non-compliance with the provisions pertaining to the Obligations with respect to independent directors [Regulation 25(3)] i.e. no meeting of Independent Directors took place during the period under review.	The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

- (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 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:

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	<p>1. Non-compliance with provisions pertaining to board composition (Regulation 17(1) of the SEBI (LODR) Regulations, 2015) during the quarters ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021.</p> <p>2. Non-compliance with the provisions pertaining to composition of Audit Committee (Regulation 18) and composition of Nomination and Remuneration Committee (Regulation 19) for the quarters ended December 31, 2020 and March 31, 2021.</p> <p>3. Non-compliance with the provisions pertaining to composition of Stakeholders Relationship Committee (Regulation 20) for the quarters ended March 31, 2021.</p>	<p>Stock exchanges levied monetary fine(s) for:</p> <p>(i) non-compliance with provisions pertaining to board composition Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the quarters ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021.</p> <p>(ii) non-compliance with the provisions pertaining to composition of Audit Committee (Regulation 18) and composition of Nomination and Remuneration Committee (Regulation 19) for the quarters ended December 31, 2020 and March 31, 2021.</p> <p>(iii) non-compliance with provisions pertaining to composition of Stakeholders Relationship Committee (Regulation 20) for the quarter ended March 31, 2021</p>	<p>The listed entity (IRCON) has submitted to the stock exchanges that they should not be held liable to pay the fine and the same is not applicable on the Company on account of the fact that the appointment of directors in a Government Company is done by the Government of India. The listed entity has no role to play for appointment of Independent Directors unless nominated by the Government. The listed entity has already made request from time to time to the administrative ministry (i.e. Ministry of Railways) for appointment of requisite number of Independent Directors on the Board of IRCON in order to ensure compliance.</p> <p>The matter regarding levying of fine by the stock exchanges for non-compliance of composition of Board and its Committees has been discussed regularly in the Board meeting of IRCON and the Board is of the view that these non-compliances are due to not having Independent Directors on the Board and the Company has no role to play for appointment of Independent Directors on its Board.</p> <p>BSE vide mail dated April 19, 2021 has communicated that based upon the company's representation, the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)" has decided to waive the fines levied for the quarter ended September, 2020 and December, 2020 for non-compliance of Reg 17- Board of Director, Reg 18- Audit Committee, Reg</p>

				19 – Nomination and Remuneration Committee under SEBI (LODR) Regulations, 2015. NSE vide its various emails has stated that the Company can apply for the waiver of fine as per SEBI SOP once the compliances are made by the Company.
2.	-NIL-	Non-compliance with the provisions pertaining to the Obligations with respect to independent directors [Regulation 25(3)] i.e. no meeting of Independent Directors took place during the period under review.	-NIL-	The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

(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	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
A.	Pertaining to the year ended March 31, 2020			
	1. Non-compliance with provisions pertaining to board composition (Regulation 17 of the SEBI (LODR) Regulations, 2015) during the quarters ended June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020.	Stock exchanges levied monetary fine(s) for non-compliance with SEBI (LODR) Regulations, 2015 for the quarters ended June 30, 2019, September 30, 2019 and December 31, 2019. Clarification has been sought by NSE regarding non-compliance with provisions pertaining to board composition for the	The listed entity (IRCON) has submitted to the stock exchanges that they should not be held liable to pay the fine and the same is not applicable on the Company on account of the fact that the appointment of directors in a Government Company is done by the Government of India. The listed entity has no role to play for appointment of Independent Directors unless nominated by the Government. The listed entity has already made request from time to time to the administrative	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. In case of any non-compliance arising out of inability of company to comply on account of any of the following reasons: a) make any appointment to the Board of Directors / of KMPs due to

		<p>quarter ended March 31, 2020.</p>	<p>ministry (i.e. Ministry of Railways) for appointment of requisite number of Independent Directors on the Board of IRCON in order to ensure compliance and the same is under process.</p> <p>The matter regarding levying of fine by the stock exchanges for non-compliance of composition of Board has been discussed regularly in the Board meeting of IRCON and the board was of the view that the company has no role to play for appointment of independent directors on its Board.</p>	<p>pending approval for appointment of Directors / KMP etc., from the Government (Ministry)/ Regulator/ Any Statutory Authority</p> <p>b) any steps taken by Government (Ministry)/ Regulator/ Court /Tribunal/ Any Statutory Authority, resulting in the non-compliance relating to Board composition e.g. appointment of a nominee director by relevant authorities, leading to the prevailing compliance becoming a non-compliance</p> <p>in such cases, the company has to provide evidence that it has taken adequate steps to remedy the non-compliance within the stipulated time.</p> <p>The non-compliance is beyond the control of the listed entity, IRCON. The Company has time to time taken up the matter of appointment of requisite number of independent directors on the Board of IRCON with its administrative ministry i.e. Ministry of Railways and has intimated the same to the stock exchanges.</p>
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B.	Pertaining to the year ended March 31, 2019			
1.	<p>1. Non-compliance with provisions pertaining to board composition (Regulation 17 of the SEBI (LODR) Regulations, 2015) during the quarter ended December 31, 2018</p> <p>2. Non-compliance with provisions pertaining to Audit Committee composition (Regulation 18 of the SEBI (LODR) Regulations, 2015) during the quarter ended December 31, 2018</p> <p>3. Non-compliance with provisions pertaining to Nomination and Remuneration Committee composition (Regulation 19 of the SEBI (LODR) Regulations, 2015) during the quarter ended December 31, 2018.</p>	<p>Fine of Rs.1,22,720/- on the listed entity was imposed vide; NSE letter No. NSE/LIST-SOP/FINES/72800/20 dated January 31, 2019</p> <p>and</p> <p>BSE letter No. LIST/COMP/Reg.27(2)&Reg.17to21/Dec-18/541956/1093/2018-19 dated January 31, 2019</p>	<p>The listed entity has replied to the Stock Exchanges that :</p> <ul style="list-style-type: none"> the appointment of directors in a Government Company is done by the Government of India. The listed entity has no role to play for appointment of Independent Directors unless nominated by the Government. The listed entity has already made request to the administrative ministry (i.e. Ministry of Railways) for appointment of requisite number of Independent Directors on the Board in order to ensure compliance and the same is under process. in case of cessation of a director by reason of resignation/ superannuation/ death, practically it is not possible for a company to reconstitute the Committees, on the same day of such change. In the listed entity, the Committees have been reconstituted in the shortest possible period vide Board Note for Circulation without waiting for the Board Meeting. <p>In view of above clarification, the listed entity has contended that the levy of fine is not applicable on IRCON.</p> <p>The matter was also placed before the Board of Directors of the Company</p>	<p>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.</p> <p>In case of any non-compliance arising out of inability of company to comply on account of any of the following reasons:</p> <p>(a) make any appointment to the Board of Directors / of KMPs due to pending approval for appointment of Directors / KMP etc., from the Government (Ministry)/ Regulator/ Any Statutory Authority</p> <p>b) any steps taken by Government (Ministry)/ Regulator/ Court /Tribunal/ Any Statutory Authority, resulting in the non-compliance relating to Board composition e.g. appointment of a nominee director by relevant authorities, leading to the prevailing compliance becoming a non-compliance in such cases, the company has to provide evidence that it has taken adequate steps to remedy the non-compliance</p>

	<p>4. Non-compliance with provisions pertaining to board composition (Regulation 17 of the SEBI (LODR) Regulations, 2015) during the quarter ended March 31, 2019.</p>	<p>Fine of Rs.5,31,000/- on the listed entity was imposed vide; NSE letter No. NSE/LIST-SOP/FINES/80162 dated May 02, 2019</p> <p>And BSE letter No. LIST/COMP/Reg.27(2)&Reg.17to21/Mar-19/541956/37/2019-20 dated May 02, 2019</p>	<p>and Board was also of the view that since the appointment of Directors in a Government Company is done by the Government of India and Company has no role to play in it. The Board also noted that the Audit Committee and Nomination & Remuneration Committees were reconstituted by the circular resolution without waiting for the Board Meeting. Hence, the levy of fine by the exchanges (BSE and NSE) are not reasonable.</p> <p>The listed entity has replied to the Stock Exchanges that:</p> <ul style="list-style-type: none"> • appointment of directors in a Government Company is done by the Government of India. The listed entity has no role to play for appointment of Independent Directors unless nominated by the Government. The listed entity has already made request to the administrative ministry (i.e. Ministry of Railways) for appointment of requisite number of Independent Directors on the Board in order to ensure compliance and the same is under process. <p>In view of above clarification, the listed entity has contended that</p>	<p>within the stipulated time.</p> <p>The non-compliance is beyond the control of the listed entity, IRCON. The Company has time to time taken up the matter of appointment of requisite number of independent directors on the Board of IRCON with its administrative ministry i.e. Ministry of Railways and has intimated the same to the stock exchanges.</p>
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			the levy of fine is not applicable on IRCON.	
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We further report that during the Review Period,

- i. There was no event of resignation of statutory auditor of the company during the review period and as such, the compliance of clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period.
- ii. In view of the situation emerging out of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended March 31, 2021 and the documents/information required by us were provided through electronic Mode.

**For Kumar Naresh Sinha & Associates
Company Secretaries**

**Place: Noida
Date: 14.06.2021**

**CS Naresh Kumar Sinha
(Proprietor)
FCS: 1807, CP No.: 14984
PR: 610/2019
UDIN: F001807C000460760**