



इरकॉन इंटरनेशनल लिमिटेड

(भारतसरकारकाउपक्रम)

IRCON INTERNATIONAL LIMITED

(A Govt. of India Undertaking)

An integrated Engineering and Construction Company



IRCON/SECY/STEX/124

29th May, 2020

BSE Limited Listing Dept./ Dept of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip code / ID: 541956 / IRCON	National Stock Exchange of India Limited Listing Department Exchange Plaza, Plot no. C/I, G Block Bandra –Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Code: IRCON
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Sub: Annual Secretarial Compliance Report for the year ended 31st March 2020

Dear Sir/Madam,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019, the Annual Secretarial Compliance Report dated 28th May 2020 for the year ended 31st March 2020 is attached as **Annexure**.

Please take note of above information on record.

Thanking you,

Yours faithfully,

For Ircon International Limited

RITU

ARORA

Digitally signed
by RITU ARORA
Date: 2020.05.29
10:42:34 +05'30'

(Ritu Arora)

Company Secretary & Compliance Officer

Membership No.: FCS 5270

पंजीकृत कार्यालय: सी -4, डिस्ट्रिक्ट सेंटर, साकेत, नई दिल्ली - 110017, भारत

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CIN : L45203DL1976GOI008171



**Secretarial Compliance Report of Ircan International Limited for the
year ended March 31st, 2020**

We have examined:

- (a) all the documents and records made available to us and explanation provided by **Ircan 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 31st, 2020 (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/propose 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) of the SEBI (LODR) Regulations, 2015	Non-compliance with the provisions pertaining to board composition for the quarters ended 30 th June 2019, 30 th September 2019, 31 st December, 2019 and 31 st March 2020.	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.

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.

- (b) 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	1. Non-compliance with provisions pertaining to board composition (Regulation 17 of the SEBI (LODR) Regulations, 2015) during the quarters ended 30 th June 2019, 30 th September 2019, 31 st December, 2019 and 31 st March 2020.	Stock exchanges levied monetary fine(s) for non-compliance with SEBI (LODR) Regulations, 2015 for the quarters ended 30 th June 2019, 30 th September 2019 and 31 st December, 2019. Clarification has been sought by NSE regarding non-compliance with provisions pertaining to board composition for the quarter ended 31 st March, 2020.	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 and the same is under process. 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.
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(c) 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 on MARCH 31, 2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	<p>1. Non-compliance with provisions pertaining to board composition (Regulation 17 of the SEBI (LODR) Regulations, 2015) during the quarter ended 31st December, 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 	<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 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</p>



			<p>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> <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 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>/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>The non-compliance is beyond the control of the listed entity. 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>
	<p>4. Non-compliance with provisions pertaining to board composition (Regulation 17 of the SEBI (LODR) Regulations, 2015) during the quarter</p>	<p>Fine of Rs.5,31,000/- on the listed entity was imposed vide; NSE letter No.</p>	<p>The listed entity has replied to the Stock Exchanges that:</p> <ul style="list-style-type: none"> • appointment of directors in a 	



	ended 31st March, 2019	<p>NSE/LIST-SOP/FINES/80162 dated May 02, 2019</p> <p>And</p> <p>BSE letter No. LIST/COMP/Reg.27(2)&Reg.17to21/Mar-19/541956/37/2019-20 dated May 02, 2019</p>	<p>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> <p>In view of above clarification, the listed entity has contended that the levy of fine is not applicable on IRCON.</p>	
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We further report that during the Review Period,

In view of the situation emerging out of the outbreak of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended March 31st 2020 and the documents/information required by us were provided through electronic Mode.

Place: NOIDA
Date: 28.05.2020



For Kumar Naresh Sinha & Associates
Company Secretaries

CS Naresh Kumar Sinha
(Proprietor)

FCS: 1807, CP No.: 14984

PR: 610/2019

UDIN: F001807B000293384