May 30, 2022

To,
The Sr. General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai- 400001

Dear Sir/Madam,

Re: Company Code: 10191

Name of the Company: IL&FS Financial Services Limited

Re: Regulation 24A(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Secretarial Compliance Report for the financial year ended March 31, 2022

Dear Sir / Madam,

Pursuant to Regulation 24A(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), please find enclosed Secretarial Compliance Report for the financial year ended March 31, 2022

This is for your information and records

Thanking You,

Sincerely,

For IL&FS Financial Services Limited

Neelam Jayesh Desai Digitally signed by Neelam Jayesh Desai
Date: 2022.05.30 17:48:00 +05'30'

Neelam Desai
Company Secretary

PRASHANT DIWAN
B.Com, LL.B, FCS, AICWA
Practicing Company Secretary

B-703/704, Anand Sagar
M. G. Road, Kandivali (W), Mumbai 400067

SECRETARIAL COMPLIANCE REPORT
IL&FS FINANCIAL SERVICES LIMITED
FOR THE PERIOD ENDED 31ST MARCH, 2022
[Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February, 08, 2019]

Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, vide its order dated 01.10.2018 suspended the erstwhile Board of Directors of Company (i.e. Director of the Company up to 30.09.2018) with immediate effect and appointed new Directors. Further, NCLT vide its order dated January 01, 2019 has directed reopening and recasting of the accounts of the Company for the past 5 financial years, under Section 130(1)(ii) of the Companies Act, 2013.

With reference to above, I have examined:

(a) all the documents and records made available to us and explanation provided by **IL&FS FINANCIAL SERVICES LIMITED** ("the listed entity") through digital mode,
(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 **period from 7th September, 2021 up to 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) Regulations, 2015;
(b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
(d) Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

As per the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations were not applicable to the Company:

(a) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
(b) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(d) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

PRASHANT DIWAN FCS 1403 CP 1979 COMPANY SECRETARY

(e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and
(f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

and based on the above examination, I hereby report that, during the Review Period:

(a) (i) 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 Requirements (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Following Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – (a) 17(3) – review of compliance report (b) 17(5) – code of conduct (c) 17(7) – placing of Minimum Information before Board (d) 17(9) – risk management policy (e) 18(2) – Gap between meetings of Audit Committee (f) 20(3A) – Meeting of Stakeholders Relationship Committee (g) 21(3A) - Meetings of Risk Management Committee (h) 23(1) – formulation of policy on materiality of related party transactions	The Company is striving to comply with the regulations and shall comply with said regulations by 31.03.2023	As per representation given by Management, the Company will give appropriate explanations in this regards as stated in Regulation 15(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
2	Following Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – (a) 17(8) – Compliance Certificate by CEO and CFO (b) 23(9) – submission of disclosures of related party transactions (c) 52 – Financial Results (d) 53 – Annual Report (e) 54 – Asset Cover Ratio (f) 56(1)(a) – financial documents to Debenture trustee (g) 58 – financial documents to holders of non-convertible securities	The Company is unable to comply with the requisite regulations, as the Company's Financials for last 5 years are under recasting process.	As per representation given by Management, the Financial Statement of the Company are under recasting as per the NCLT order dated January 01, 2019 and instructions received from MCA, financial statement shall not be published or submitted to the Stock exchange for FY 2021 until the process of re-opening and recasting is completed. Intimation of the same has been filed with the Stock Exchange.

3	Regulation 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015	Submission of Corporate Governance Report for the quarter ended 30.09.2021 not in prescribed time	Submitted on 08.12.2021
4	Regulation 55 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Credit Rating Review	The Company has not got its credit rating reviewed atleast once a year by a credit rating agency registered by the Board. However, the Rating agencies basis the available inputs have provided the annual rating letters for IFIN's existing Rated liabilities product portfolio and same continues to remain "D".	The financials for FY 2020 & FY 2021 have not been concluded by IFIN management as the impacts arising from the recasted financial statements have to be factored onto the financial statements of FY 2020 and FY 2021. The Company is required to reopen and recast the financial statements for five years i.e. FY 2013-14 to FY 2017-18 as per the order issued by NCLT. Hence, as per management representation, owing to cited issue and the Resolution related developments, the review of Credit rating is not practically feasible.
5	Regulation 57(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – providing details within five working days prior to the beginning of the quarter for all the non-convertible securities for which interest / dividend / principal obligations shall be payable during this quarter	Non Submission of details for all the quarters.	The intimation of default in payment of its debt obligation has been updated with the Stock Exchange (BSE Limited) immediately as and when the default occurs.
6	Regulation 57(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 - Submission of the certificate confirming the payment of interest / dividend / principal obligations for non-convertible securities which were due in that quarter and the details of all unpaid interest / dividend / principal obligations in relation to non-convertible securities at the end of the quarter	Non Submission of details for all the quarters.	The intimation of default in payment of its debt obligation has been updated with the Stock Exchange (BSE Limited) immediately as and when the default occurs.

PRASHANT DIWAN FCS 1403 CP 1970 COMPANY SECRETARY

(ii) Further, as regards to the Independent Directors requirements pursuant to following Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 –
(a) 17(1) – constitution of Board
(b) 17(10) – evaluation of Independent Directors
(c) 18(1)(b) & 18(1)(d)– constitution of Audit Committee
(d) 19(1)(c), 19(2) – constitution of Nomination & Remuneration Committee
(e) 20(2A) – constitution of Stakeholder Relationship Committee,
(f) 25 – Obligations of Independent Director

The Management has given representation that "The Union of India acting through the Ministry of Corporate Affairs, had initiated proceedings against Infrastructure Leasing & Financial Services Limited ("IL&FS") and its group companies under Section 241(2)(k) of the Companies Act, 2013, on the grounds inter alia that the erstwhile board of IL&FS had prima facie mismanaged the affairs of IL&FS. Pursuant to the said proceedings, the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") suspended the erstwhile board of directors of IL&FS and appointed new directors as recommended by the Union of India on the Board of IL&FS (the "New Board") and thereafter the new Board was entrusted with power to replace the Directors of Subsidiaries, Associates Companies and Joint venture vide its orders dated October 9, 2018. The New Board members appointed are akin to Independent Directors and not Independent Directors. Further, the requirement of appointing Independent Directors has been dispensed by NCLT order dated April 26, 2019 for IL&FS and the group companies."

(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 my 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:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letters, debarment etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	SEBI	Regulation 7(3), 13(3), 52(7), 54(1), 56(1)(a), 56(1)(b)(ii), 57(2), 62(1)(h)(iii) of SEBI (LODR) Regulation	SEBI has issued a Notice under Section 15-I(3) of Securities and Exchange Board of India Act, 1992 being letter No SEBI/EFD/DRA4/AA/RK/14861/1/2021 dated July 8, 2021 ("2021 Notice"). The 2021 Notice seeks to re-open the order dated December 24, 2020 passed by SEBI's Adjudicating Officer dismissing the proceedings initiated against IFIN by SEBI vide an earlier show cause notice dated July 16, 2020 for alleged violations of the LODR. No orders have been passed against IFIN by SEBI pursuant to the 2021 Notice.	IFIN had approached the Bombay High Court in W.P. (L) No. 16337 of 2021 and thereafter the Supreme Court in Special Leave Petition (SLP) (C) No. 13107 of 2021 (SLP) challenging the 2021 Notice. The SLP is pending before the Supreme Court.

PRASHANT DIWAN
B.Com, LL.B, FCS, AICWA
Practicing Company Secretary

B-703/704, Anand Sagar
M. G. Road, Kandivali (W), Mumbai 400067

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observation of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the previous year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable, as this being the first report				

CS Prashant Diwan
Practicing Company Secretary
FCS: 1403 CP: 1979

PR: 1683/2022
UDIN: F001403D000429710

Date: 30.05.2022
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

PRASHANT DIWAN
B.Com, LL.B, FCS, AICWA
Practicing Company Secretary

B-703/704, Anand Sagar
M. G. Road, Kandivali (W), Mumbai 400067

Annexure A

SECRETARIAL COMPLIANCE REPORT
IL&FS FINANCIAL SERVICES LIMITED
FOR THE PERIOD ENDED 31ST MARCH, 2022
[Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February, 08, 2019]

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of applicable laws, rules and regulations is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. The Compliance report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. I have carried out the verification of part of the records through digital mode as well as relied upon the Management representation made by the Company due to prevailing conditions of COVID-19 in the country.

CS Prashant Diwan
Practicing Company Secretary
FCS: 1403 CP: 1979

PR: 1683/2022
UDIN: F001403D000429710

Date: 30.05.2022
Place: Mumbai