INDIAN RAILWAY FINANCE CORPORATION LIMITED

Transcript of the 34th Annual General Meeting held on 29th September, 2021

Shri Vijay Shirode:

Good afternoon, to all of you

Dear shareholders,

I am Vijay Shirode, company secretary of Indian Railway Finance Corporation Limited. A very warm welcome to all of you to this 34th Annual General Meeting of the company. As you are well aware, due to COVID-19 pandemic, this AGM is being held through video conferencing in compliance with the applicable provisions of the Ministry of Corporate Affairs and SEBI listing regulations.

Further, all efforts have been made by the company to enable members to participate and vote on the items being considered in the meeting. Registers are open for inspection as per the requirements of law. Now I take privilege to introduce Board of Directors, nominee of President of India and auditors of your company.

We have with us Shri Amitabh Banerjee, Chairman and Managing Director, Ms. Shelly Verma, Director Finance, Shri Bhaskar Choradia, who is a Government Nominee Director and Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee attending meeting through his office, that is Railway Ministry, Shri Mohit Sinha ji, who is an Additional Member of Revenue, Railway Board and who is a representative of Honourable President of India, attending the meeting from Railway Ministry, Shri D. K. Singh, Statutory Auditor, who is attending the meeting from his office. We also have with us Shri Navneet Arora, Secretarial Auditor and Scrutiniser for this meeting. I now request Chairman and Managing Director, to address you all.

Shri Amitabh Banerjee:

Good afternoon to all the esteemed shareholders of the company. I on behalf of Team IRFC extend a hearty welcome to you all at this 34th Annual General Meeting.

Thank you for your kind presence today. Dear shareholders, as the requisite quorum for the Annual General Meeting is present, I call the meeting in order. I also welcome my colleagues on the Board and the key officials of the company present here.

With the permission of the shareholders, the notice convening the Annual General Meeting and Director's report already circulated to you are taken as read. Now I take the opportunity to deliver my chairman's speech in brief about the operational highlights of your company. IRFC reported a stellar performance during the year under review, with all-time high revenue and profits.

The net profit for FY 2021 stood at Rs. 4,416.13 crore, an increase of 38.34 percent against Rs. 3,192.09 crore in the last fiscal. The total revenue from operations grew by 17.51 percent year-on-year, amounting to Rs. 15,770.47 crore against Rs. 13,421.01 crore in the last fiscal year. Company declared interim dividend of Rs. 1,372.19 crore, which works out to 31.07 percent of PAT for FY 2020-21. IRFC has recorded a phenomenal 51 % growth in annual disbursements, which increased from Rs. 70,471.96 crore in FY 2020 to Rs. 1,04,369 crore in FY 2021. The asset under management for FY 2021 stands at Rs. 3,60,079 crore, registering a year-on-year growth of 35.29 percent. The capital adequacy ratio of IRFC continues to remain strong at 420.46 % in FY 2021. The total capital outlay i.e. the capital expenditure of Minister of Railways for the year 2021 was Rs. 1,55,161 crore, out of which IRFC's disbursement against the same was significant at Rs. 1,04,369 crore, which constitutes 67.43 percent of the total capital outlay for FY 2021. CSR budget for FY 2020-21 was pegged at Rs. 61.23 crore against which the company has disbursed a sum of Rs. 41.51 crore. A total sum of Rs.30 crore has been contributed to PM Cares Fund. Equity shares got listed on 29 January 2021 on BSE Limited and National Stock Exchange of India Limited. Initial public offerings got an encouraging response from investors to overall subscription of 3.5 times the issue size.

Based on current market capitalisation of company, it is in the list of top 500 listed companies as on 31 March 2021. The company continues to raise funds at the most competitive rates, both from domestic as well as overseas financial markets and has helped to keep the cost of borrowing low. I request Company

Secretary to read the observations and reply of management given in Secretarial Audit Report, Electronic Voting System and Agenda Items.

Shri Vijay Shirode:

Thank you Sir,

Now I will read out the observations and management reply. There are two observations received from the Secretarial Auditor. First one is Filing of quarterly returns with NBFC, NDSI, ALM returns for FY 2021 with Reserve Bank of India in compliance with the non-banking financial company's Reserve Bank Directions 2016 with the RBI portal Cosmos has been delayed. The management replied to that as the company was facing technical issues in shifting from Cosmos portal to XBRL platform. The company faced this issue and later on company has filed the returns with the RBI.

Second observations of the secretarial auditor i.e. Company's equity shares got listed on 29 January 2021. During the period, the Board of Directors has five directors comprising two executive directors, two non-executive directors, government nominees and one independent director. Company should have three more independent directors in compliance with Regulation 17 of SEBI LODR Regulations. 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 Regulations 18 and 19 of SEBI LODR Regulations 2015. The management replied to that the power to appoint directors rests with the Government of India through Ministry of Railways and company has no role to play in it. Company has already requested Government for appointment of requisite number of independent directors.

Now, I will read out the process of voting through electronic voting system.

In pursuance of Regulation 44 of SEBI LODR Regulations and Section 108 of the Companies Act 2013, the remote e-voting period which has commenced on Sunday 26th September 2021 at 9 am and ended on Tuesday 28th September 2021 at 5 pm and this facility was made available to all the shareholders of the company as on the cut-off date that is 22nd September 2021. E-voting on the CDSL platform was made available for all the shareholders to cast their votes. E-voting facility shall remain active for 15 minutes after the conclusion of this meeting to the shareholders who had not casted their votes earlier through remote e-voting.

Shri. Navneet Arora, Practising Company Secretary has been appointed as a scrutiniser for scrutiny of the votes cast through the remote e-voting platform and electronic voting during the AGM. The results of voting along with scrutiniser's report will be available at the website of the company and also on the stock exchanges.

Now, I will read out the agenda items.

Item No. 1. To receive, consider, approve and adopt the audited financial statements of the company for the financial year ended 31st March 2021 along with the reports of the board of directors and auditors thereon and comments of the Comptroller and Auditor General of India. This is an ordinary resolution.

Item No. 2. To confirm the payment of interim dividend for the financial year 2021. This is also an ordinary resolution.

Item No. 3. Re-appointment of Shri Baldeo Purushartha as the nominee director. Ordinary resolution.

Item No. 4. Increasing borrowing powers of the board of directors of the IRFC in terms of Section 180(1)(c) of the Companies Act, 2013. This will be the special resolution.

And last item of this notice is the increase in the ceiling for creation of charge in terms of Section 180(1)(a) of the Companies Act, 2013. Special resolution.

Now, I will invite the shareholders who have already pre-registered as shareholder speakers to speak relating to items of business as mentioned in the Notice of Annual General Meeting.

Operator, you may kindly go ahead.

I will name out. This is the first speaker registered with us, Shri Navneet Kaur. NSDL said that he is not present.

the second speaker, Shri Santosh Kumar Saraf

Shri Santosh Kumar Saraf: I feel happy that you have given me an opportunity to speak.
Jai Hind. Jai Bharat. Namaskar!!!!

So, next speaker is Shri Yusuf Yunus, he is not present as informed by NSDL.

Then next speaker is Shri Santosh Chopra. Okay. So, last speaker is Shri Ajay Kumar Jain. NSDL said that he is not present.

Okay. Thank you, everyone.

Now, I will request the chairman, sir, to read out the queries submitted by the speaker. Now, it is handed over to the CMD, sir, please.

Shri Amitabh Banerjee:

I'll just read out the speaker shareholder query and the management reply thereto.

The name of the shareholder is Santosh Kumar Saraf. The query is, what steps are taken by the management to minimise the impact and effect on business income and business operation and steps for cost cutting in COVID-19 forthcoming third wave? The company has, the management reply thereto is as follows. The company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions; there has been no significant impact on its financial results.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial statements. Further, the company will continue to monitor any material changes to future economic conditions.

The next question is, what is the CAPEX plan of management to increase growth and income of the company? The reply is as follows. The CAPEX plan received from Minister of Railways for the financial year 2021-22 is Rs. 65,258 crores. Growth and income of the company will be commensurate with the CAPEX plan.

The next question is, what are the steps taken to conserve rainwater and recycle and reuse and reduce of freshwater consumptions and transforms units to consume renewable energy like solar and wind power to attain carbon neutrality at earliest? The reply is as follows. The corporation has taken the office of IRFC on lease rent from the ITDC. It is understood that M/s ITDC have taken all the major provisions as per the applicable law on rainwater, recycle, solar power, etc. However, adequate measures are taken to conserve and reduce the energy consumption like usage of LED lights. Next question is that what are the steps taken to instal solar power panel on roof of the offices to reduce cost of power. The next question is, what are the numbers of new employees added during the year? That has also been replied to during the period. Six new employees have joined the corporation.

Then the next question is on providing the details zone-wise, gender-wise and age-wise distribution of our total employees. Same reply as earlier question please. As on 31st March, the total number of employees are 29, all of which male employees are 23. Female, six numbers.

And Next question was what is the percentage of employees and their family who are vaccinated? And has company reimbursed the money paid for vaccine by employees and their family for vaccine in private hospitals? As per the information, all the employees and their family members have been provided at least the first dose of vaccination. Company has the policy to provide the medical reimbursement for vaccination to both employees and dependent family members.

Thank you.

Shri Vijay Shirode:

Thank you Sir,

It gives me immense pleasure to propose the vote of thanks to our Chairman and Managing Director, board members of the company, representative of the Honourable President of India, valued shareholders, statutory and secretarial auditors of the company, CDSL and technical team. I would like to thank M/s Beetal Financial & Computer Services Private Limited, Registrar and Share Transfer Agents of your Company. Last but not least, the entire IRFC team.

It is again informed to the shareholders that e-voting facility shall remain active for 15 minutes after the conclusion of the meeting to the shareholders who had not casted their votes earlier through remote e-voting. Operator, you may kindly go ahead with this 15-minute countdown timing from now. And with this, I am again thankful to all the shareholders and everyone for attending this 34th Annual General Meeting of the IRFC.

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