



मनीष कुमार अग्रवाल
कंपनी सचिव
MANISH KUMAR AGARWAL
Company Secretary



पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
(आई.एस.ओ. 45001:2018 प्रमाणित) (ISO 45001:2018 Certified)

No: 1:05:138:I:CS
Dated: 30.05.2024

<p>National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) <u>MUMBAI – 400 051.</u></p> <p>नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग, एक्सचेंज प्लाजा, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पू), मुंबई-400 051</p>	<p>BSE Limited, Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, <u>MUMBAI – 400 001.</u></p> <p>बीएसई लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी.जे. टावर्स, दलाल स्ट्रीट, मुंबई-400001</p>
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Sub: Annual Secretarial Compliance Report for the year ended 31st March, 2024

Madam/Sir,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI circular No. CIR/CFD/CMD1/27/2019 dt. February 8, 2019, the Annual Secretarial Compliance Report for the year ended 31st March, 2024 is attached at Annexure I.

This is submitted for your information and record.

Thanking you,

Yours faithfully,
For Power Finance Corporation Ltd.

(Manish Kumar Agarwal)
Company Secretary & Compliance Officer
mk_agarwal@pfcindia.com

Mehta & Mehta

COMPANY SECRETARIES

Plot No. 5, Pocket-5, 2nd Floor, Sector-24 (Infront of Aakash Ganga Apartment), Rohini, Delhi-110085
Tel. : +91 22 28940483 Visit us : www.mehta-mehta.com

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Secretarial Compliance Report of Power Finance Corporation Limited for the financial year
ended March 31, 2024

We M/s. Mehta & Mehta, Company Secretaries have examined:

- all the documents and records made available to us and explanation provided by **Power Finance Corporation Limited** ("the listed entity"),
- the filings/ submissions made by the listed entity to the Stock Exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this Report.

for the financial year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of :

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the regulations, circulars, guidelines issued thereunder by the SEBI;

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (LODR) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-**Not Applicable as there was no reportable event during the Review Period;**
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **Not Applicable as there was no reportable event during the Review Period;**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- other regulations as 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)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Regulation 17(1) of SEBI Listing Obligation and Disclosure Requirement, 2015	Regulation 17(1) of SEBI Listing Obligation and Disclosure Requirement, 2015	Non-compliance with the provision of regulation 17(1) of listing obligation and disclosure requirement, 2015 from 01.04.2023 to 31.03.2024	NSE/ BSE	The Stock Exchange has imposed monetary fines for non-compliance with certain provisions of SEBI (LODR) Regulations, 2015.	Non-compliance of Regulation 17(1) of SEBI Listing Obligation and Disclosure Requirement, 2015	5000 per day (exclusive of GST)	During the year 2023-24, there is a Non-compliance of Regulation 17 (1) of the SEBI (LODR) Regulations, 2015 with regard to the proper composition of board w.e.f. 01.04.2023 to 31.03.2024 As informed to us by the management of company, the power to appoint Directors on the board of company vests with the President of India (POI) in accordance with clause 86 of the Article of Association of the company. The Board of Directors of PFC are appointed by President of	The power to appoint Directors on the board of company vests with the President of India (POI) In view of above, PFC has requested the Exchange for waiver of fine, response in this regard is awaited.	--



								India, through Ministry of Power, Government of India. Accordingly, PFC has requested MoP to appoint balance number of Independent Director(s) on the Board of the PFC.		
2.	Regulation 17(10) of Securities and Exchange Board of India(listing obligation and disclosure requirement)2015, The performance evaluation of Independent Directors shall be done by entire board of Directors	Regulation 17(10) of Securities and Exchange Board of India (listing obligation and disclosure requirement) 2015	The evaluative exercise has not be done for entire F.Y. 23-24			Non compliance of Regulation 17(10) of Securities and Exchange Board of India(listing obligation and disclosure requirement)2015		The company has informed that in terms of clause 86 of Article of Association of the company, the appointment of Functional Directors, Government Nominee Director and Independent Directors of PFC are made by Govt. of India. The T&C of such appointment including remuneration and evaluation vests with the Government of India after thorough evaluation and are subjected to periodic performance review and the company's performance is also periodically reviewed with reference to annual MoU signed between PFC and Government.	In terms of clause 86 of Article of Association of the company, the appointment of functional directors, Government nominee Director and independent Directors of PFC are made by govt. of India. The T&C of such appointment including remuneration and evaluation vests with the Government of India after thorough evaluation and are subjected to periodic	--



									<p>performance review and the company performance is also periodically reviewed with reference to annual MoU signed between PFC and Government.</p> <p>Further, PFC being a Listed Entity, in compliance thereof, a draft Board Evaluation Policy was formulated and considered by the Nomination and Remuneration Committee and Board of Directors and the draft Policy has been sent to the Ministry of Power for its guidance on the same.</p>
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b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks Of the Practicing Company Secretary in the previous reports) (PCS)	Observations made in the secretarial compliance report for the year ended 31 March ,2022	Compliance Requirement (Regulations/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity.	Comments of the PCS on the actions taken by the listed entity
1.	<p>During the year 2022-23, there is a Non-compliance of Regulation 17 (1) of the SEBI (LODR) Regulations, 2015 with regard to the proper composition of board w.e.f. 11.07.2022 to 31.03.2023</p> <p>As informed to us by the management of company, the power to appoint Directors on the board of company vests with the President of India (POI) in accordance with clause 86 of the Article of Association of the company. The Board of Directors of PFC are appointed by President</p>	<p>Non-compliance with the provision of regulation 17(1) of listing obligation and disclosure requirement, from 01.04.2021 till 31.01.2022</p>	<p>Regulation 17(1) of SEBI Listing Obligation and Disclosure Requirement,2015</p>	<p>Non-compliance of Regulation 17(1) of SEBI Listing Obligation and Disclosure Requirement, 2015</p> <p>Non-compliance with the provision of regulation 17(1) of listing obligation and disclosure requirement, 2015 from 11.07.2022 to 31.03.2023</p>	<p>The power to appoint Directors on the board of company vests with the President of India (POI)</p> <p>In view of above, PFC has requested the Exchange for waiver of fine. response in this regard is awaited.</p>	



	of India. through Ministry of Power, Government of India. Accordingly, PFC has requested MoP to appoint balance number of Independent Director(s) on the Board of the PFC.					
2.	The company has informed that in terms of clause 86 of Article of Association of the company, the appointment of Functional Directors, Government Nominee Director and Independent Directors of PFC are made by Govt. of India. The T&C of such appointment including remuneration and evaluation vests with the Government of India after thorough evaluation and are subjected to periodic performance review and the company's performance is also periodically reviewed	The evaluative exercise has not be done for entire F.Y. 21-22	Regulation 17(10) of Securities and Exchange Board of India(listing obligation and disclosure requirement)2015, The performance evaluation of Independent Directors shall be done by entire board of Directors	Non compliance of Regulation 17(10) of Securities and Exchange Board of India(listing obligation and disclosure requirement)2015. The evaluative exercise has not be done for entire F.Y. 22-23	In terms of clause 86 of Article of Association of the company, the appointment of functional directors, Government nominee Director and independent Directors of PFC are made by govt. of India. The T&C of such appointment including remuneration and evaluation vests with the Government of India after thorough evaluation and are subjected to periodic performance review and the company performance is also periodically reviewed with reference to annual MoU signed between PFC and Government. Further, PFC being a Listed Entity, in compliance thereof, a draft Board Evaluation Policy was formulated and considered by the Nomination and Remuneration Committee and Board of Directors and the draft Policy has been sent to	--



	with reference to annual MoU signed between PFC and Government.				the Ministry of Power for its guidance on the same. Further, MoP has been informed that the draft Board evaluation policy has been referred to the CPSE policy division for further examination.	
3.	Non-compliance of Regulation 25(4) of the Securities and Exchange Board of India (listing obligation and disclosure requirement, 2015	The evaluative exercise has not be done for entire F.Y. 21-22	Regulation 25(4) of Securities and Exchange Board of India (listing obligation and disclosure requirement, 2015, the Independent Director shall in their meeting inter alia: (a) Review the performance of Non-Independent Directors and the board of Directors as a whole (b) Review the performance of chairperson of the listed entity, taking into account the views of executive and non-executive directors.	Non-compliance of Regulation 25(4) of Securities and Exchange Board of India (listing obligation and disclosure requirement, 2015 The evaluative exercise has not be done for entire F.Y. 22-23	As the draft Board Evaluation Policy was sent to the Ministry of Power for their guidance and which has been further referred by MoP to the CPSE policy division for further examination, the Independent Directors felt that non-review of the performance of non-independent Directors/Chairman is leading to non-compliance on part of the company under SEBI (LODR) regulations. Therefore, the Independent Directors decided and evaluated the performance of Non-Independent Directors (functional) including the Chairman for the FY 2023-24. Consequently, the Board has ensured compliance with Regulation 25(4) for the fiscal year 2023-24.	PFC has taken corrective action and an evaluation exercise has been done for the F.Y. 23-24



- I. We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	<p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).</p>	Yes	None
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> ● All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. ● All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/guidelines issued by SEBI. 	Yes	None
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> ● The listed entity is maintaining a functional website. ● Timely dissemination of the documents/ information under a separate section on the website. ● Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and Specific which re-directs to the relevant document(s)/section of the website. 	Yes	None



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
4.	<p>Disqualification of Director(s):</p> <p>None of the director(s) of the listed entity is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity</p>	Yes	None
5.	<p>Details related to subsidiaries of listed entities have been examined w.r.t.:</p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Disclosure requirement of material as well as other subsidiaries.</p>	Yes	None
6.	<p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per policy of preservation of documents and archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	None
7.	<p>Performance Evaluation:</p> <p>The listed entity has conducted performance evaluation of the board, independent directors and the committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	No	The listed entity has not conducted a performance evaluation of the Independent Directors during F.Y. 23-24
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of audit committee for all related party transactions;</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the audit committee.</p>	Yes Not Applicable	None No Such Cases during the Review Period



Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS*
9.	<p>Disclosure of events or information:</p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	--
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	--
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder (or)</p> <p>The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.</p>	Yes	Company received the Show Cause Notice from NSE for Non-Compliance under Regulation 17(1) of listing obligation and disclosure requirement, 2015 for the quarter ended June 30, 2023 to December 31, 2023.
12.	<p>Resignation of statutory auditors from the listed entity or its material subsidiaries:</p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.</p>	NA	No Case of resignation of statutory auditor from the listed entity or its material subsidiary during the Review Period.



13.	Additional Non-compliances, if any: No additional non-compliances observed for any SEBI regulation/circular/guidance note etc. except as reported above.	No	None
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Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Mehta & Mehta,

Company Secretaries

(ICSI Unique Code P1996MH007500)

CS Nayan Handa

Partner

FCS No: 11993

CP No.:18686

PR No. 3686/2023



Date: 29/05/2024

Place: Delhi

UDIN: F011993F000485532

Note: 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.

Annexure A

To,
Power Finance Corporation Limited,
'Urjanidhi', 1, Barakhamba lane,
Connaught place, New Delhi 110001

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

1. Maintenance of record is the responsibility of the management of the listed entity. Our responsibility is to express an opinion on these records based on our verification of the same.
2. We have followed the practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the listed entity.
4. Wherever required, we have obtained the Management representation about the compliance of SEBI laws, rules and regulations thereof.
5. The compliance of the provisions of SEBI laws, rules, regulations is the responsibility of management. Our examination was limited to the verification of compliances done by the listed entity.
6. As regards the books, papers, forms, reports and returns filed by the listed entity under the above-mentioned regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the listed entity under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. This report is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)



CS Nayan Handa
Partner
FCS No: 11993
CP No.:18686
PR No. 3686/2023

Date: 29/05/2024

Place: Delhi

UDIN: F011993F000485532