



पावर फाइनेंस कॉर्पोरेशन लिमिटेड  
POWER FINANCE CORPORATION LTD.  
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)  
(आई.एस.ओ. 9001:2015 प्रमाणित) (ISO 9001:2015 Certified)

No:1:05:138:I:C  
Date: 25<sup>th</sup> June, 2021

<p><b>National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), <u>MUMBAI – 400 051.</u></b></p> <p>नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग, एक्सचेंज प्लाजा, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पू), मुंबई-400 051</p>	<p><b>Bombay Stock Exchange Limited, Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, <u>MUMBAI – 400 001.</u></b></p> <p>बंबई स्टॉक एक्सचेंज लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी. जे. टावर्स, दलाल स्ट्रीट, मुंबई-400 001</p>
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**Sub: Annual Secretarial Compliance Report for the year ended 31<sup>st</sup> March, 2021.**

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, 2021 is attached at Annexure I.

This is submitted for your information and record.

Thanking you,

**Yours faithfully,  
For Power Finance Corporation Limited**

**(Manohar Balwani)  
CGM & Company Secretary  
[mb@pfcindia.com](mailto:mb@pfcindia.com)**



**Amit Agrawal & Associates**  
**Company Secretaries**

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SECRETARIAL COMPLIANCE REPORT  
OF  
Power Finance Corporation Limited  
For the year ended March 31, 2021

We, Amit Agrawal & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Power Finance Corporation Limited ("the listed entity / PFC"),
- (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 March 31, 2021 ("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 there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, 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;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018 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 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non compliance with the provisions of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 board composition from 01.04.2020 to 31.03.2021.	There is non-compliance of Regulation 17 (1) of the SEBI (LODR) Regulations, 2015 with regard to the proper composition of board.  As informed to us by the management of the company, the power to appoint Directors on the Board of Company vests with President of India (PoI) in accordance with Clause 86 of the Articles of Association of the Company. It has been further informed by the Company and verified by us that the Company has written to its administrative ministry i.e., Ministry of Power from time to time for appointment of appropriate number of Independent Directors on its board.
2.	Regulation 19(1)/ 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Noncompliance with the constitution of nomination and remuneration committee from 03.11.2020 to 31.03.2021.	There is non-compliance of Regulation 19 of the SEBI (LODR) Regulations, 2015 with regard to the proper constitution of nomination and remuneration committee.



			As informed to us by the management of the company, the power to appoint Directors on the Board of Company vests with President of India (PoI) in accordance with Clause 86 of the Articles of Association of the Company. It has been further informed by the Company and verified by us that the Company has written to its administrative ministry i.e., Ministry of Power from time to time for appointment of appropriate number of Independent Directors on its board.
3.	Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-compliance with the constitution of audit committee from 03.11.2020 to 31.03.2021.	<p>There is non-compliance of Regulation 18 of the SEBI (LODR) Regulations, 2015 with regard to the proper composition of Audit committee.</p> <p>As informed to us by the management of the company, the power to appoint Directors on the Board of Company vests with President of India (PoI) in accordance with Clause 86 of the Articles of Association of the Company. It has been further informed by the Company and verified by us that the Company has written to its administrative ministry i.e., Ministry of Power from time to time for appointment of appropriate number of Independent Directors on its board.</p>

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from our 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





(d) 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.	NSE/BSE	Regulation 17 of LODR, 2015	The Stock Exchange levied total fine Rs. 43,07,000/- Including GST of Rs. 6,57,000/- on the listed entity from 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021.	As informed to us by the management of the company, the power to appoint Directors on the Board of Company vests with President of India (PoI) in accordance with its Articles of Association. It has been further informed by the Company and verified by us that the Company has written to its administrative ministry i.e., Ministry of Power from time to time for appointment of appropriate number of Independent Directors on its board.  Further, BSE has given waiver to the Company for the period July 2018 to December 2020.
2.	NSE/BSE	Regulation 19 of LODR, 2015	The Stock Exchange levied total fine Rs. 6,74,960/- Including GST of Rs. 1,02,960/- on the listed entity from 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021.	As informed to us by the management of the company, the power to appoint Directors on the Board of Company vests with President of India (PoI) in accordance with its Articles of Association. It has been further informed by the Company and verified by us that the Company has written to its administrative ministry i.e., Ministry of Power from time to time for appointment of appropriate number of Independent Directors on its board.



				Further, BSE has given waiver to the Company for the period July 2018 to December 2020.
3.	NSE/BSE	Regulation 18 of LODR, 2015	The Stock Exchange levied total fine Rs. 2,69,040/- Including GST of Rs. 41,040/- on the listed entity from 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021.	As informed to us by the management of the company, the power to appoint Directors on the Board of Company vests with President of India (PoI) in accordance with its Articles of Association. It has been further informed by the Company and verified by us that the Company has written to its administrative ministry i.e., Ministry of Power from time to time for appointment of appropriate number of Independent Directors on its board.

The Company on its part has already written from time to time to its administrative ministry i.e. Ministry of Power for appointment of appropriate number of Independent Directors on its board.

Further, vide its letter no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018 SEBI/HO/CFD/CMD/CIR/P/2020/12, dated January 22, 2020, BSE has communicated waiver of fines imposed from July 2018 to December 2020 under regulation 17 (1) of the LODR on similar lines, NSE has also been requested by the Company to waive the fines imposed.

(e) 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 31 <sup>st</sup> March, 2020.	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	The Company has not complied the provision of Regulation 17 (1) and 17(10) of LODR 2015 during the financial year	The Board of Directors of the Company is headed by an Executive Chairman, Accordingly, the number of Independent Directors should have been at least 50 % of the Board Members. Also, the number of non	The Company has requested Ministry of Power to expedite appointment of Independent Directors on the Board of the	The Company has submitted reply to the Stock Exchange that in terms of Clause 86 of Article of Association of the Company, the



	ended 31.03.2020.	<p>executive Directors is less than Fifty percent on the Board of the Company. As on 31.03.2020, the Board of Company comprises of 7 Directors, which includes 4 whole time Members of the Board, 1 Part Time Government Nominee Director and 2 Non officials Part time Independent Directors. In terms of Clause 86 of Article of Association of the Company, the members of the Board are appointed by the President of India. Terms and Conditions such appointment including remuneration and evaluation vests with the Government of India.</p> <p>The Company has requested Ministry of Power to expedite appointment of Independent Directors on the Board of the Company to enable it to comply with requisite clause of SEBI (LODR) and Companies Act, 2013.</p>	<p>Company to enable it to comply with requisite clause of SEBI (LODR) and Companies Act, 2013.</p> <p>Further the Company has informed that in terms of Clause 86 of Article of Association of the Company, the members of the Board are appointed by the President of India and the terms and conditions of such appointment including remuneration and evaluation vests with the Government of India.</p>	<p>members of the Board are appointed by the President of India and accordingly the same should be withdrawn.</p>
2.	The Company has not complied the provision of Regulation 19 of LODR 2015 during the financial year ended 31.03.2020.	<p>In terms of Clause 86 of Article of Association of the Company, the members of the Board are appointed by the President of India and the terms and conditions of such appointment including remuneration and evaluation vests with the Government of India. Further, Article 91(3) of the Article of Association the Company provides that notwithstanding anything contained in any of this Article, the President may from time to time issue such directives of instructions as may be considered</p>	<p>The Company has informed that all the members of the Board are appointed by Government of India after thorough evaluation and are subjected to periodic performance review and that the Company's performance is also periodically reviewed with reference to annual MOU signed</p>	<p>The Company has submitted reply to the Stock Exchange that in terms of Clause 86 of Article of Association of the Company, the members of the Board are appointed by the President of India and accordingly the same should be withdrawn.</p>





		necessary in regard to conduct of business and affairs of the company and in like manner may vary directive of instruction. The directors shall give immediate effect to the directives or instructions so issued.	between PFC and Government. The Independent Directors in their 7 <sup>th</sup> Meeting held on 4 <sup>th</sup> January, 2020 undertook evaluation of the Board as a whole, CMD and all Non-independent Directors in line with SEBI's Guidance note on Board Evaluation dated January 5, 2017.	
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Place: Delhi  
Date: 24.06.2021

for Amit Aggarwal and Associates  
(Company Secretaries)



CS Amit Agrawal  
Proprietor  
M.No.-5311, CP No. 3647  
UDIN: F005311C000506526

**Note:**

*We further report that the report is issued on the basis of documents and papers provided to us by the management of the Company in the form of electronic mode. Due to COVID 19 the physical verification is not possible.*