

Certificate on Corporate Governance

The Members, Power Finance Corporation Limited

We have examined the compliance of conditions of Corporate Governance by **Power Finance Corporation Limited** for the year ended 31st March, 2019, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance except:

- Regulation 17 (1) of SEBI (LODR) Regulations, 2015 and Para 3.1.2 & 3.1.4 of the DPE Guidelines on Corporate Governance require that not less than fifty percent of the Board of Directors comprising of non-executive directors and in case the Chairman is an Executive Director, at least half of the Board should comprise of Independent Directors. As on March 31, 2019, the Board of Directors of the Company was headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the Board Members, however, 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-Official Part Time Independent Directors.
- Regulation 17 (10) of SEBI (LODR) Regulations, 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors.
- Regulation 19 (1) (b) & (c) of the SEBI (LODR) Regulations, 2015 and Para 5.1 of the DPE Guidelines on Corporate Governance, all members of the Nomination & Remuneration Committee shall be non-executive directors.
- Regulation 25 (3) & (4) of SEBI (LODR) Regulations, 2015, the independent Directors shall at their Separate Meeting, review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors has met separately once during the period of Audit. At the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015. As regards performance Evaluation, considering that the matter has been taken up with SEBI by Department of Public Enterprises (DPE) based on recommendations of Committee of Company Secretaries of CPSEs constituted by DPE, as also the practice being followed in peer companies, evaluation criteria has not been evolved.
- Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LODR) 2015, the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees and formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance with Regulation 17 (1) and 19(1)/19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company made representations to Stock Exchanges and SEBI.

We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**
Company Secretaries,
ICSI Unique Code: P2003DE049100

Sd/-
CS Sachin Agarwal
Partner

FCS No.: 5774
CP No.: 5910

Place : New Delhi
Date : July 30, 2019

Annexure H of Board's Report

Business Responsibility Report

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L65910DL1986GOI024862
Name of the Company	Power Finance Corporation Limited
Registered address	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001
Website	www.pfcindia.com
E-mail id	mb@pfcindia.com
Financial Year reported	2018-19
Sector(s) that the Company is engaged in (industrial activity code-wise)	64920 (Other Financial Services and Activities - Other Credit Granting)
List three key services that the Company provides	(i) Rupee Term Loan (RTL) (ii) Short Term Loan (STL) (iii) Buyer's Line of credit (BLC)
Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations	None
ii. Number of National Locations	3
Markets served by the Company - Local/State/National/International	National

Section B: Financial Details of the Company (as on March 31, 2019)

Paid up Capital (INR)	₹ 2,640.08 crore
Total Turnover (INR) (Revenue from Operations)	₹ 28,842.00 crore
Total profit after taxes (INR)	₹ 6,952.92 crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.45% (₹ 100.50 crore) of Profit After Tax (PAT) during FY 2018-19
List of CSR activities in which expenditure has been incurred	Annexure I

Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company?	No

Section D: BR Information

1. Details of Director responsible for BR

a) Details of the Director responsible for implementation of the BR policies

Particulars	Details
DIN Number	03548218
Name	P K Singh
Designation	Director (Commercial)

b) Details of the BR head

Particulars	Details
DIN Number (if applicable)	NA
Name	Shri Manohar Balwani
Designation	Company Secretary
Telephone number	011- 23456749
E-mail id	mb@pfcindia.com

2. Principle-wise (as per NVGs) BR policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect, protect and make efforts to restore the environment.
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should promote inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	PFC being an NBFC, this principle has limited applicability	Y	Y	The policy is embedded in company's HR policies and practices	The policy is embedded in company's various policies and practices	The policy is embedded in company's various policies and practices	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	-	-	Y	Y
3.	Does the policy conform to any national /international standards?	Y	-	Y	Y	-	-	-	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	-	-	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	-	Y	Y	-	-	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	#	-	Policy being an internal document is accessible to employees only	#	-	-	-	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	-	-	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	-	Y	Y	-	-	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	Y	Y	-	-	-	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	-	-	-	Y	Y

*The relevant explanation/ information/ links are mentioned at Annexure II to this Report.

(b). If answer to S.No. 1 against any principle, is 'No', please explain why:

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	NOT APPLICABLE								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The BR activities of the Company are overseen by a Functional Director and the Board also reviews the Business Responsibility Report as part of Directors' Report on annual Basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published as a part of Annual Report from FY 2012-13 onwards. The current Report shall form a part of Annual Report for FY 2018-19 and shall be available on company's website: www.pfcindia.com.

Section E: Principle-wise performance

Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Power Finance Corporation Ltd. (PFC) is a leading power sector public financial institution and a non-banking financial company, providing fund and non-fund based support for the development of the Indian power sector. It plays a major role in channelizing investment into the power sector and acts as a vehicle for development of this sector. Its clients include state power utilities, central power sector utilities, power departments, private power sector utilities (including independent power producers), joint sector power utilities etc. PFC has developed the Fair Practices Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its businesses transactions.

PFC also considers Corporate Governance as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. In this direction, Company has an established Code of Business Conduct & Ethics for Board Members & Senior Management.

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

The Company has also adopted an Anti-Fraud policy so as to provide a system of detection and prevention of fraud in the Company. It aims to promote consistent legal and ethical organizational behavior by assigning responsibility for the development of controls and providing guidelines for reporting of fraud/suspected fraud and conduct of investigation of suspected fraudulent behavior. The scope of policy extends to reporting and investigating the fraud or suspected fraud in the Company involving employees (including contractual employees) as well as shareholders, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, outside agencies and/or any other parties having business relationship with the Company.

The above said policies also cover our subsidiaries.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Under the Anti-Fraud Policy, the Company had not received any complaint during the FY 2018-19.

The company had received a total of 3,906 complaints from the shareholders and bondholders of the Company during the FY 2018-19 in addition to 6 complaints pending at the beginning of the year. Out of which 3912 (100%) were resolved by March 31, 2019.

Under PFC's Citizen Charter, total 96 complaints were received from customers/consumers during the FY 2018-19 in addition to 2 complaints pending at the beginning of the year. Out of which 89 (91%) were resolved by March 31, 2019 leaving 9 complaints pending.

Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

PFC has financial products like term loan, buyer's line of credit, lease financing etc. including financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, PFC stipulates conditions including interalia environmental clearances.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:

Since PFC is not a Manufacturing Company and offers financial assistance to Power Sector projects only, following questions mentioned below are generally applicable to manufacturing sector:

- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

NotApplicable.

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

NotApplicable.

- Does the company have procedures in place for sustainable sourcing (including transportation)?

NotApplicable.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

PFC, being a Financial Institution, is relatively less resource intensive in terms of material inputs. We are also following the Government of India's directives, issued from time to time, in respect of reservation for Micro, Small & Medium Enterprises in procurements.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?

The Company, being a Financial Institution, has limited applicability of mechanism to recycle products and waste. However, the Company has installed an Organic Composting machine in the office premises for recycling organic waste generated on routine basis in the office building kitchen/pantry etc.

Principle 3

- Please indicate the total number of employees.

As on March 31, 2019 there were 498 employees in PFC.

- Please indicate the total number of employees hired on temporary/contractual/casual basis.

During the FY 2018-19, PFC hired nil employees on temporary/contractual/casual basis.

- Please indicate the number of permanent women employees.

As on March 31, 2019, there were 103 permanent women employees on the rolls of the company.

- Please indicate the number of permanent employees with disabilities.

As on March 31, 2019, there were 14 differently abled employees on the rolls of the company.

- Do you have an employee association that is recognized by management?

PFC has PFC Employees Union, PFC SC/ST/OBC Welfare Association and PFC Executive Association.

6. What percentage of your permanent employees is members of this recognized employee association?

100% of the permanent employees are members of these recognized employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year 2018-19	No of complaints pending as on March 31, 2019
1	Child labour /forced labour/involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

o Permanent Employees	75%
o Permanent Women Employees	80%
o Casual/Temporary/Contractual Employees	Nil
o Employees with Disabilities	78%

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

All reserved category employees (SC/ST/OBC/PwBD & Minorities) are identified as disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

All Government of India directives are followed for engagement at various levels of career progression for these people (all reserved category employees - SC/ST/OBC/PwBD & Minorities). Various infrastructure arrangements were made for benefits of PwBD persons. Meritorious awards are being given to children of these categories along with other children by giving special relaxation in percentage of marks. Separate Liaison Officers are in place to look after the welfare of the employees in the ambit of this category. It is ensured that a person of reserved category of appropriate level is nominated as member in various selection and promotion committees to look into the interest of the employees of reserved categories.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

PFC does not have any specific policy on human rights. However, it is embedded in company's various HR policies and practices.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The details of stakeholder complaints during FY 2018-19 are given herein below:

Particulars	No. of Complaints			
	Equity Shareholders	Bondholders	Under Anti-Fraud Policy	Under Citizen Charter
Pending at the beginning	1	5	0	2
Received during the year	886	3020	0	96
Disposed off during the year	887	3025	0	89
Lying unresolved at the end of the year	0	0	0	9
% of Complaints resolved	100%	100%	0	91%

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The policy is embedded in company's various policies and practices and covers the Company as a whole.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

PFC is a socially conscious organization and fully endorses the nine principles of Global Compact enunciated by the United Nations Organization (UNO) which encompass areas of human rights, environmental protection and labour rights. These principles of Global Compact are embedded in various organizational policies of the Company thereby facilitating their implementation in a natural way.

PFC consistently strives towards meeting the expectations of the society through proper planning and decision making that will help in achieving a real and lasting reduction of social and economic disparities as well as protecting the environment. PFC continues to support activities that aim at improving the quality of life of both present and future generations and at the same time safeguarding the capacity of the earth to support life in all its diversity.

3. Does the company identify and assess potential environmental risks?

Since PFC is not a Manufacturing Company and offers financial products only, the question is not applicable to the Company.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The above question is not applicable to PFC as it is not a manufacturing company. However, your Company funds renewable energy projects and energy saving projects at special rates of interest in State and Private Sectors.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.

Yes. The Company has undertaken various Clean Technology/Renewable energy/Energy Efficiency etc. initiatives in FY 2018-19 including disbursement of ₹ 19.15 crore under 'Solar Application'. The details are mentioned at Annexure I of this Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not Applicable.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2019.

Not Applicable.

Principle 7

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

Yes, PFC is a member of the following associations:-

- SCOPE
- Central Board of Irrigation and Power
- Confederation of Indian Industry (CII)
- World Energy Council

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

PFC supports the initiatives taken by above associations in their endeavors for the advancement or improvement of public good.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

PFC has a CSR and Sustainability policy in place. The aim of the policy is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large.

The objective of the PFC CSR Policy is to:

- Ensure an increased level of commitment at all levels in the Organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of its stakeholders.
- Generate a societal goodwill for PFC through CSR activities and help reinforce a positive and socially responsible image of PFC as a corporate.

As a socially responsible corporate entity, PFC endeavors to:

- Promote and Leverage green technologies to produce goods and services that contribute to social and environmental sustainability.
- Take up projects that provide energy, water and sanitation facilities to the communities.
- Take up activities to support "Differently abled persons" and the "Health sector".
- Take up issues which are of foremost concern in the national development agenda, like save drinking water for all, provision of toilets especially for girls, health and sanitation, education, etc.
- Contribute to inclusive growth and equitable development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

All the projects undertaken under CSR & SD policy were executed by Govt./Semi Govt./Quasi-Govt. implementing agencies and other reputed organisations.

3. Have you done any impact assessment of your initiative?

The company shall mandatorily conduct Impact Assessment for projects/programmes sanctioned above ₹ 5 crore. For rest of the projects/programmes, the assessment is to be done on a case to case basis.

The Impact Assessment Study being conducted (sanction-wise) in FY 2018-19 is as tabulated:

S.No.	Particulars	Area
1	Impact Assessment study through Indian Institute of Public Administration (IIPA) on 'Employment oriented training and skill development programme for SC/ST/OBC/Women & EWS of society for 2000 persons	All over India
2	Impact assessment study through Administrative Staff College of India (ASCI), Hyderabad on 'Impact on Fitment Cochlear Implants to 100 nos. Hearing Impaired children	All over India

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

During the year 2018-19, PFC undertook various Community Development projects in the field of sanitation, skill development and education, solar application, environment and health sector. PFC's contribution in terms of amount sanctioned and disbursed are as given below:

Nature of Activities	Sanctioned (₹ in crore)	Disbursement (₹ in crore)
Sanitation/ Waste Management/ Drinking Water	12.89	9.76
Skill Development and Education	31.76	18.23
Solar Application	20.58	19.15
Environment/Tree Plantation	0.00	1.00
Health Sector	2.34	2.34
Others (Impact Studies, Admin. Overheads, Saubhagya, Arrah and Sitamarhi district village Dev. programmes etc.)	71.39	67.71
Total	138.96	118.19

Spread across various CSR initiatives (inclusive of Community Development projects), PFC disbursed ₹ 118.19 crore (including Administrative overheads) during the FY 2018-19.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The projects sanctioned by PFC are implemented by Govt./Semi Govt./Quasi-Govt. Implementing agencies and other reputed organisations. During Skill development training programmes, placement of around 70% is ensured. In projects such as environment sustainability, renewable energy etc. assets are created, transferred to beneficiaries and also monitored by PFC by various activities such as site visits, tour reports etc.

Principle 9

1. What percentage of customer complaints/consumer cases apart from shareholders and bondholders are pending as at the end of financial year?

Under PFC's Citizen Charter, total 96 complaints were received from customers/consumers during the FY 2018-19 in addition to 2 complaints pending at the beginning of the year. Out of which 89 (91%) were resolved by March 31, 2019 leaving 9 complaints pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

NotApplicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2019.

NotApplicable.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

In PFC, customer complaints are obtained through structured meetings held periodically with Power Utilities, periodic visits undertaken by PFC executives to the customers' offices/project sites, through regular written/telephonic correspondence during the appraisal, loan documentation and disbursement stages of various projects/loans, customers visiting PFC office etc.

Based on the responses, the complaints are recorded and a Corrective and Preventive Action Record (CAPR) is initiated for each complaint. The concerned customer is intimated about the corrective action being taken to resolve the complaint and prevent its further occurrence.

Annexure I to Business Responsibility Report

List of activities in which expenditure has been incurred:

S. No	Name of Projects (Details of ₹ 100.50 Crore)
1	Water Distribution Pipeline in selected wards of Chanderi town, Ashok Nagar district, Madhya Pradesh state
2	Providing the services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area.
3	Contribution to Swachh Kumbh Kosh, Kumbh Mela 2019
4	Supply and Installation of 500 Nos. India Mark II Hand Pumps for Drinking Water purposes in Rural Areas of Machhalishahar Region, Jaunpur, Uttar Pradesh
5	Construction of 580 Hand Washing Units in Govt. schools of Sitamarhi, Bihar
6	Multi Therapy Unit under Integrated Muscular Dystrophy Rehabilitation Centre (IMDRC) at Solan
7	Project for Provisioning of Hi-End Prosthetic & Orthotic Artificial Limbs to Persons with Disabilities (PwDs) in Mumbai and its suburb areas i.e Thane, Kalyan, Raigad, Uraan.
8	Fitment of cochlear Implants to 100 nos. Hearing Impaired Children
9	Employment Oriented Training and Skill Development programme for SC/ST/OBC/Women & EWS of society for 2000 persons
10	Skill Development programme for persons belonging to SC/ST/OBC/Women/PWD & EWS of society for 3000 persons FY 2016-17 phase-I
11	Skill Development programme for persons belonging to SC/ST/OBC/Women/PWD & EWS of society for 3000 persons FY 2017-18 phase -II
12	Skill Development programme for SC/ST/OBC/Women/PWD & EWS of society for 900 persons
13	Employment oriented Skill Development Programme for SC/ST/OBC/Women & EWS for 1200 persons
14	Up-gradation of selected Primary Schools in Lucknow
15	Skill Development Training Programme for SC/ST/OBC/PWD/Women & EWS of society for 2500 candidates-phase-II
16	Supply, installation and commissioning of Mini/Micro Off Grid Solar PV Power Plant in three villages - Phoj Kudana, Bhoj Plasra & Patiye ki Bhood under Ambala circle in Haryana state
17	Extending Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar
18	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in Akbarpur, Kanpur Dehat, Uttar Pradesh
19	Project of LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh
20	Implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi, Uttar Pradesh, Phase-I
21	Implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh
22	Implementation of 500 nos. of Solar based LED Street Lighting System in Pilibhit, Uttar Pradesh
23	Implementation of 500 nos. of Solar based LED Street Lighting System in Basti, Uttar Pradesh

24	Solar Community Irrigation Schemes for 1000 Hectares area in Chhattisgarh
25	Implementation of 500 nos. of solar based LED Street Lighting System in Shravasti, Uttar Pradesh phase-I
26	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) Uttar Pradesh phase-II.
27	Implementation of Solar based LED Street Lighting System (SLS) and Solar High Mast Lights (SHMLS) in Deoria region of Uttar Pradesh
28	Implementation of Solar based LED Street Lighting System (SLS) and Solar High Mast Lights (SHMLS) in Agra (North), Agra (South) and Firozabad regions of Uttar Pradesh
29	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages in Pali, Rajasthan
30	Supply, Installation and Commissioning of 450 nos. of LED based Solar Street Lighting System (SLS) in various villages in Bijnor, Uttar Pradesh
31	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Giridih-phase-II
32	Implementation of 725 nos. of Solar based LED Street Lighting System (SLS) in Sitamarhi, Bihar
33	Development of Park (Pocket 7A) at Deen Dayal Upadhyay Marg, Delhi
34	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bikaner, Rajasthan
35	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Shravasti, Uttar Pradesh, Phase-II
36	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Agra , Uttar Pradesh
37	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Lalganj, Uttar Pradesh
38	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Baghpat, Uttar Pradesh
39	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Mahbubnagar and Ranga Reddy Districts, Telangana
40	Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) at the cost of ₹ 41.40 crore (approx.) in the state of Jharkhand
41	Relief & Rehabilitation activities in the flood affected areas of Uttarakhand for re-building of infrastructure destroyed during calamity
42	Project of Development works in the 3 blocks (Piro, Bihiya, Jagdishpur) of Arrah District, Bihar-Bhojpur Village Development Programme
43	Impact Assessment/Training/Travelling/Pay & Allowances etc.

Annexure II to Business Responsibility Report

The links of relevant policies approved by the Board of Directors of the Company are given below:-

Name of the Policy	Web links	
	English	Hindi
CSR and Sustainability Policy	http://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR_Policy_26082016.pdf	http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/CSR/PFC_CSR_POLICY_HND_20092016.pdf
Fair Practice Code	http://www.pfcindia.com/Home/VS/62	http://pfcindia.com/hnsite/Home/VS/62
Code of Business Conduct and Ethics	http://www.pfcindia.com/Home/VS/63	http://pfcindia.com/hnsite/Home/VS/63
Anti-Fraud Policy	http://www.pfcindia.com/Home/VS/65	http://pfcindia.com/hnsite/Home/VS/65
Whistle Blower Policy	http://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490268719103_wbpHND.pdf&path=Page
Policy on Related Party Transactions	http://www.pfcindia.com/Default/ViewFile/?id=1490186033556_Policy on Related Party Transactions.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490267088709_PFC_Policy_Hindi.pdf&path=Page
Policy on Material Subsidiary	http://www.pfcindia.com/Default/ViewFile/?id=1546008961743_Policyon.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490266955530_material_subsideiry_HND.pdf&path=Page
Dividend Distribution Policy	http://www.pfcindia.com/Default/ViewFile/?id=1500569967022_Dividend Distribution Policy of Power Finance Corporation Limited-Final Version.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1500987575423_Dividend_Distribution_Policy_of_pfc_hindi.pdf&path=Page
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for regulating, monitoring & reporting of trading in the securities of Power Finance Corporation Limited	http://www.pfcindia.com/Default/ViewFile/?id=1471519901217_PFCs_Code_of_Conduct_for_regulating_reporting_trading_by_insiders_and_for_fair_disclosure_2015.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490270610504_CODE_OF_CONDUCT_FOR_INSIDER_TRADING_HND.pdf&path=Page
Policy for Determination of Materiality of Events	http://www.pfcindia.com/Default/ViewFile/?id=1472556452570_Circular%20Policy%20for%20Determination%20of%20Materiality%20of%20Events.pdf&path=Page&Name=Policy for Determination of Materiality of Events	http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/Statutory_investor/DoMEvents_hindi.pdf

The other policies are internal documents and accessible only to employees of the organisation.

Annexure I of Board's Report

Form MR - 3 SECRETARIAL AUDIT REPORT For the financial year ended 31st March, 2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations & Disclosure requirements) Regulations, 2015)

To,

The Members,

Power Finance Corporation Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Power Finance Corporation Limited** (hereinafter called PFC/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our test basis verification of the PFC's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PFC for the financial year ended on 31st March, 2019 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable for the year under review**
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and **Not applicable for the year under review**
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable for the year under review**
- The Reserve Bank of India Act, 1934 and Regulations framed thereunder for Non-Banking Financial Companies.
- Prevention of Money Laundering Act, 2002.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Securities and Exchange Board of India (Listing Obligations & Disclosure requirements) Regulations, 2015.