



(एक महारत्न कंपनी)

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:I:05:138:I:CS

Dated: 27.05.2026

<p>National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) MUMBAI – 400 051.</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, MUMBAI – 400 001.</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, 2026

Madam/Sir,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI circular No. CIR/CFD/CMDI/27/2019 dt. February 8, 2019, the Annual Secretarial Compliance Report for the year ended 31st March, 2026 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

**SECRETARIAL COMPLIANCE REPORT OF
Power Finance Corporation Limited
For the financial year ended 31-03-2026**

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements)
(Amendment) Regulations, 2018]

To,
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane,
Connaught Place,
New Delhi – 110001

We, **T. Chatterjee & Associates, Company Secretaries**, have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Power Finance Corporation Limited (CIN: L65910DL1986GOI024862)** (hereinafter referred as 'the listed entity'), listed on BSE Limited ('BSE') Scrip Code- **532810** and National Stock Exchange Limited (NSE), Scrip Code- **PFC**. Secretarial review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorised representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We, **T. Chatterjee & Associates, Company Secretaries**, have examined:

- (a) the documents and records made available to us and explanation given by the listed entity
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) books, papers, minute books, reports, statements and documents filed with the recognized stock exchange(s) on the electronic platform, other relevant records maintained by the listed entity

for the year ended on 31-03-2026 (herein after referred as the "Review Period") in respect of compliance with the provisions, to the extent applicable to the listed entity of:



- (i) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (ii) the Securities contract (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, as amended, whose provisions and the circulars/ guidelines issued thereunder, have been examined to the extent applicable to the listed entity, includes: -

- a. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(not applicable to the listed entity during review period);**
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **(not applicable to the listed entity during review period);**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**(not applicable to the listed entity during review period);**
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- g. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- h. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- i. The Securities and Exchange Board of India (Registrar to as issue and Share Transfer Agents) Regulations, 1993; **(not applicable to the listed entity during review period);**
- j. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(not applicable to the listed entity during review period)**

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 the matter specified below:***



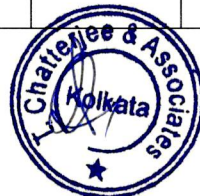
Sr. No.	Compliance Requirement (Regulations/Circulars/Guidelines including Specific clause)	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
1	<p>Regulation 17(1) of SEBI(LODR) Regulations-Composition of Board of Directors.</p> <p>There shall be optimum combination of executive and non-executive directors, not less than fifty percent of board of directors shall comprise of non-executive directors.</p> <p>The Board of directors of top 1000 listed entities shall have at least one independent woman director.</p> <p>Where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall consist of independent directors.</p>	<p>From 01-04-2025 to 16-04-2025, the number of non-executive directors were less than fifty percent of total number of directors.</p> <p>No independent women director was appointed on the Board.</p> <p>No Independent directors were appointed on the Board.</p> <p>From 17-04-2025 to 13-05-2025, the number of independent directors appointed on the Board was less than fifty percent of total number of directors.</p>	The Stock Exchanges	Imposition of Fine	Non-Compliance of Regulation 17(1) of the SEBI (LODR) Regulations, 2015.	Rs.5000/- for each day of default.	<p>Subsequent to 16-04-2025, there is optimum combination of executive and non-executive directors on the Board of directors of the listed entity and fifty percent of directors are non-executive directors.</p> <p>W.e.f. 17-04-2025, an independent women director is appointed on the Board of Directors of the Company.</p> <p>W.e.f. 14-05-2025, requisite number of independent directors are appointed on the Board of Directors of the listed entity.</p>	The listed entity is a Central Public Sector Unit and the power to appoint directors on the Board vests with the Ministry of Power, Government of India.	As on 31-03-2026, no amount of fine is pending to be paid.



Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including Specific clause)	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
2	Regulation 17(2A) The quorum for every meeting of the board of directors of the top 2000 listed entities shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director.	From 01-04-2025 to 16-04-2025, No Independent directors were appointed on the Board.	The stock Exchanges	Imposition of Fine	Non-Compliance of Regulation 17(2A) of the SEBI (LODR) Regulations, 2015.	Rs.10,000/- per instance	Subsequent to 16-04-2025 3 independent directors were appointed on the Board of Directors of the listed entity and thus Reg. 17(2A) was complied	The listed entity is a Central Public Sector Unit and the power to appoint directors on the Board vests with the Ministry of Power, Government of India.	As on 31-03-2026, no amount of fine is pending to be paid.
3	Regulation 18(1) of SEBI(LODR) Regulations, - Composition of Audit Committee- At least two-thirds of the members of audit committee shall be independent directors. The chairperson of Audit Committee shall be independent directors.	From 01-04-2025 to 20-04-2025, no independent directors were appointed on the Audit Committee and the chairperson of Audit Committee was not an independent director.	The Stock Exchanges	Imposition of Fine	Non-Compliance of regulation 18(1) of SEBI (LODR), Regulations, 2015	Rs.2000/- for each day of default	w.e.f. 21-04-2025, the audit committee was constituted in compliance with terms of Regulation 18 of the SEBI(LODR) Regulations, 2015	The constitution of Audit Committee depends upon the appointment of directors on the Board of Directors of the listed entity and the power to appoint directors on the Board vests with the Ministry of Power, Government of India.	As on 31-03-2026, no amount of fine is pending to be paid.
4	Regulation 19(1), (2) of SEBI(LODR) Regulations, - Composition of Nomination Remuneration Committee (NRC)- All members of the NRC shall be non-	From 01-04-2025 to 20-04-2025 The NRC consisted of executive directors. There were no independent	The Stock Exchanges	Imposition of Fine	Non-Compliance of regulation 19(1), (2) of SEBI (LODR), Regulations, 2015	Rs.2000/- for each day of default.	w.e.f. 21-04-2025, the NRC was constituted in compliance with terms of Regulation 19 of the SEBI(LODR) Regulations, 2015	The constitution of NRC depends upon the appointment of directors on the Board of Directors of the listed entity and the power to appoint directors on the Board vests with the	As on 31-03-2026, no amount of fine is pending to be paid.



Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including Specific clause)	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
	executive directors. At least two-thirds of the directors shall be independent directors The chairperson of NRC shall be an independent director.	directors in NRC. The chairperson of NRC was not an independent director.						Ministry of Power, Government of India.	
5	Regulation 20(2)/(2A) of SEBI(LODR) Regulations, - Composition of Stakeholder Relationship Committee (SRC)- The SRC shall have atleast one Independent Director.	From 01-04-2025 to 20-04-2025, no independent director was appointed in SRC	The Stock Exchanges	Imposition of Fine	Non-Compliance of regulation 20(2)/(2A) of SEBI (LODR), Regulations, 2015	Rs.2000/- for each day of default.	w.e.f. 21-04-2025, the SRC was constituted in compliance with terms of Regulation 20 of the SEBI(LODR) Regulations, 2015	The constitution of SRC depends upon the appointment of directors on the Board of Directors of the listed entity and the power to appoint directors on the Board vests with the Ministry of Power, Government of India.	As on 31-03-2026, no amount of fine is pending to be paid.
6	Regulation 21(2) of SEBI(LODR) Regulations, - Composition of Risk Management Committee (RMC)- The RMC shall have atleast one Independent Director.	From 01-04-2025 to 20-04-2025, no independent director was appointed in RMC	The Stock Exchanges	Imposition of Fine	Non-Compliance of regulation 21(2) of SEBI (LODR), Regulations, 2015	Rs.2000/- for each day of default.	w.e.f. 21-04-2025, the SRC was constituted in compliance with terms of Regulation 21 of the SEBI(LODR) Regulations, 2015	The constitution of RMC depends upon the appointment of directors on the Board of Directors of the listed entity and the power to appoint directors on the Board vests with the Ministry of Power, Government of India.	As on 31-03-2026, no amount of fine is pending to be paid.



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

Sl. No.	Observations/Remarks of the Practicing Company Secretary in the previous reports (PCS)	Observations made in the secretarial compliance report for the year ended	Compliance Requirement (Regulations/circulars/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	During the year 2024-25, there was a non-compliance of Regulation 17(1) of the SEBI(LODR) Regulations, 2015 with regard to the proper composition of board w.e.f. 01-04-2024 to 31-03-2025	FY 31-03-2025	Regulation 17(1) of SEBI(LODR) Regulations, 2015-Composition of Board of Directors	Imposition of Fine by BSE and NSE of Rs.5000 per day till the default continues.	As on 31-03-2026, the composition of board of directors is in compliance with Regulation 17 of the listing regulations.	The listed entity is a Central Public Sector Unit and the power to appoint directors on the Board vests with the Ministry of Power, Government of India.

(c) The compliance status of the listed entity with the requirements, is specified below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remark by PCS *
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	
2	Adoption and timely updation of the Policies: <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 has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI 	Yes	<i>All the applicable policies under SEBI Regulations are updated and adopted with the approval of the Board of Directors of the listed entity. The revision of current policy on related party transaction is under consideration of the Board.</i>



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	<i>All the website disclosures are made, the listed entity is under the process of forming a separate section for the website disclosures.</i>
4	<p>Disqualification of Director:</p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	
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	
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	
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>	Yes	



8	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; or</p> <p>The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit Committee, in case no prior approval has been obtained.</p>	<p>NA</p> <p>No such instance</p>	
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>	<p>Yes</p>	
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>	<p>Yes</p>	
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</p>	<p>Yes</p>	<p>On 29-05-2025, BSE Limited and NSE limited has imposed fine of Rs. 3,89,000/-(excluding taxes) each on the listed entity for non-compliance of Regulation 17(1),17(2A),18(1),19(1)/(2), 20(2)/(2A), and 21(2) of SEBI(LODR) Regulations, 2015.</p>
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>	<p>NA</p>	<p>No such instance has occurred during the period under review.</p>



13	Additional non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	There were no other instances of non-compliance for any SEBI regulation/circular/guidance note etc.
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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 T. Chatterjee & Associates,
Company Secretaries
FRN: P2007WB067100
Peer Review: 7747/2026**

Indrani Chaudhuri

**CS. Indrani Chaudhuri,
Partner,
ACS: 8739, COP:6667
UDIN: A008739H000393750**

Place: New Delhi
Date: 18-05-2026

