

## Annexure G of Board's Report

# Report on Corporate Governance

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

Your Company has always endeavored to implement and maintain high standards of Corporate Governance norms and has been practicing the principles of good Corporate Governance since its incorporation.

A Report in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) is given below as a part of the Director's Report along with a Certificate issued by a Practicing Company Secretary regarding compliance with the provisions of Corporate Governance.

### 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's Corporate Governance philosophy is based on two core principles. These are:

- i. Management must have the executive freedom to drive the enterprise forward for sustainable growth without undue restraints; and
- ii. This freedom of management should be exercised within the framework of regulatory environment and effective accountability.

Your Company's corporate structure, conduct of business and disclosure practices have been accordingly aligned to its Corporate Governance Philosophy.

The Board of your Company also firmly endorses the principles of governing disclosures and obligations as provided in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as guiding force.

### 2. BOARD OF DIRECTORS

The Board of Directors of your Company provides leadership, objective judgment and strategic guidance to the Company. The Board Charter can be said to be governed within the framework set out in the Companies Act, Memorandum of Association, Articles of Association of the company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and internal codes/procedures of the company etc.

It reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance. Your Company's Board consists of eminent individuals with diverse experience and expertise.

#### Composition

PFC is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 as the President of India as on March 31, 2020 holds 55.99% of the total paid-up share capital of the Company and as per Articles of Association of the Company, the power to appoint Directors vests in the President of India. Further, in terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

As on March 31, 2020 the Company's Board comprised of seven Directors which includes four whole time functional Directors, one part time Government Nominee Director and two non-official part time (Independent) Directors. A brief profile of all the Directors is provided in this Annual report.

During the FY 2019-20, the following changes took place in the composition of the Board of Directors of the Company: -

- (i) Consequent upon reaching the age of superannuation, Shri Chinmoy Gangopadhyay, Director (Projects), ceased to be a Member of the Board w.e.f. May 1, 2019.
- (ii) Consequent upon appointment by Ministry of Power, Government of India, Shri Ravinder Singh Dhillon assumed the charge of Director (Projects) w.e.f. June 12, 2019.

- (iii) Consequent upon appointment by Ministry of Power, Government of India, Shri R.C Mishra assumed the charge of Independent Director w.e.f. July 11, 2019.
- (iv) Shri Mritunjay Kumar Narayan, Joint Secretary, Ministry of Power was nominated by Ministry of Power, Government of India as Government Nominee Director on the board w.e.f. August 28, 2019 vice Shri Arun Kumar Verma, Joint Secretary, who was earlier nominated on the Board of PFC.
- (v) Consequent upon completion of tenure, Shri Sitaram Pareek, Independent Director, ceased to be a Member of the Board w.e.f. February 6, 2020.

Further, consequent upon reaching the age of superannuation, Shri Rajeev Sharma, Chairman and Managing Director and Shri N. B. Gupta, Director (Finance), ceased to be Members of the Board w.e.f. June 1, 2020 and July 1, 2020 respectively. Consequent upon appointment by Ministry of Power, Government of India, Shri Ravinder Singh

Dhillon, Director (Projects) assumed the charge of Chairman and Managing Director w.e.f. June 1, 2020. and Smt. Parminder Chopra assumed the charge of Director (Finance) w.e.f. July 1, 2020.

During the year, in absence of requisite number of Independent Directors on the Board of the Company, the composition of the Board of Directors was not in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by DPE.

The Company has already requested Ministry of Power, Government of India, the appointing authority, to expedite appointment of the requisite number of Independent Directors on the Board of the Company to enable the company to comply with the applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

The composition of Board of Directors as on March 31, 2020 was as follows:

#### Whole Time Directors

- |      |                             |  |
|------|-----------------------------|--|
| i)   | Shri Rajeev Sharma          | Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel |
| ii)  | Shri N.B Gupta              | Director (Finance), Chief Finance Officer and Key Managerial Personnel               |
| iii) | Shri Ravinder Singh Dhillon | Director (Projects) and Key Managerial Personnel                                     |
| iv)  | Shri Praveen Kumar Singh    | Director (Commercial) and Key Managerial Personnel                                   |

#### Government Nominee Director

- |    |                              |                               |
|----|------------------------------|-------------------------------|
| v) | Shri Mritunjay Kumar Narayan | Director (Government Nominee) |
|----|------------------------------|-------------------------------|

#### Non-Official Part Time (Independent) Director

- |      |                      |                      |
|------|----------------------|----------------------|
| vi)  | Smt. Gouri Chaudhury | Independent Director |
| vii) | Shri R.C Mishra      | Independent Director |

Your Company has under the RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, formulated a Fit and Proper Policy for ascertaining the fit and proper status of the directors of the Company. The Nomination and Remuneration Committee of the Company has in terms of the said policy ascertained the Functional and Independent Directors on the Board of the Company as fit and proper for the FY 2019-20.

Further, pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has obtained a certificate from a Practicing Company Secretary that none of the directors on the board of the

company have been debarred or disqualified from being appointed or continuing as directors of company by the Board/Ministry of Corporate Affairs or any such statutory authority.

Since, PFC is a Government Company, the Directors on the Board of the Company are appointed by the Government of India through Ministry of Power. Further, PFC being an NBFC engaged in the business of Financing Power Sector, the Ministry of Power ensures that the Directors appointed on the Board of the Company have the requisite skills and expertise in the areas required to conduct affairs of the Company i.e. finance and technical etc. The list of core skills, expertise, and competencies of the Members of the Board are detailed hereinafter in the report.

### Board Meetings

The meetings of the Board are generally held at the registered office of the company and are scheduled well in advance. The Board of PFC meets regularly. The meetings of Board are governed by a structured agenda and any member of the Board is free to recommend inclusion of any subject matter in the agenda for deliberations. Detailed agenda papers including explanatory notes are circulated in advance on all major issues to facilitate the Board to take well-informed and independent decisions. Your Company follows Secretarial Standard-1 on Meetings of the Board of Directors as issued by Institute of Company Secretaries of India in its true letter and spirit.

During the year under review, the Board met 13 times on the following dates:

(i) May 17, 2019 (ii) May 29, 2019 (iii) June 24, 2019 (iv) July 30, 2019 (v) August 13, 2019 (vi) August 27, 2019 (vii) September 20, 2019 (viii) October 22, 2019 (ix) November 14, 2019 (x) December 24, 2019 (xi) February 12, 2020 (xii) March 9, 2020 and (xiii) March 21, 2020.

### Annual General Meeting

The last Annual General Meeting of the Company was held on August 27, 2019.

**Directors' attendance at the Board Meetings held during the FY 2019-20 and at the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of other companies, core skills, expertise, and competencies of the Members of the Board etc. are as follows:**

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2020*	Chairmanship/ Membership in the committees of other companies as on March 31, 2020**		Attendance at the last AGM held on August 27, 2019	Core skills, expertise, and competencies
	Held during the tenure	Attended		Member	Chairman		
<b>Shri Rajeev Sharma</b> Chairman and Managing Director	13	13	2	Nil	Nil	Present	<ul style="list-style-type: none"> <li>B. Tech (Electrical) from G. B. Pant University and Master's Degree in Engineering from IIT Roorkee and also Master's Degree in Business Administration from FMS, Delhi University.</li> <li>More than 35 years of experience in Power Sector.</li> </ul>
<b>Shri N.B. Gupta</b> Director (Finance)	13	12	8 <sup>a</sup>	Nil	Nil	Present	<ul style="list-style-type: none"> <li>Member of the Institute of Chartered Accountants of India.</li> <li>More than 33 years of experience in Power Sector.</li> </ul>

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2020*	Chairmanship/ Membership in the committees of other companies as on March 31, 2020**		Attendance at the last AGM held on August 27, 2019	Core skills, expertise, and competencies
	Held during the tenure	Attended		Member	Chairman		
<b>Shri Praveen Kumar Singh</b> Director (Commercial)	13	13	7 <sup>#b</sup>	Nil	Nil	Present	<ul style="list-style-type: none"> <li>• B. Tech in Electrical Engineering from IIT-BHU</li> <li>• M. Tech (Energy and Environment Management), IIT New Delhi.</li> <li>• Global Energy MBA Program, Bayer College of Business, University of Houston, USA.</li> <li>• More than 35 years of experience in Power Sector.</li> </ul>
<b>Shri R.S Dhillon</b> Director (Projects) (w.e.f. June 12, 2019)	11	11	1	Nil	Nil	Present	<ul style="list-style-type: none"> <li>• Electrical Engineer with post-graduation in Power Systems from IIT Delhi</li> <li>• More than 35 years of experience in Power Sector</li> </ul>
<b>Shri Chinmoy Gangopadhyay</b> Director (Projects) (upto April 30, 2019)	0	0	NA	NA	NA	NA	<ul style="list-style-type: none"> <li>• B. Tech (Electrical), IIT Kharagpur and also Master's Degree in Business Administration from FMS, Delhi University.</li> <li>• More than 38 years of experience in Power Sector</li> </ul>
<b>Shri Mrityunjay Kumar Narayan</b> Director (Government Nominee) (w.e.f. August 28, 2019)	7	5	2 <sup>#c</sup>	Nil	Nil	NA	<ul style="list-style-type: none"> <li>• An Indian Administrative Service (IAS) officer of 1995 Uttar Pradesh Cadre and Joint Secretary in Ministry of Power.</li> </ul>

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2020*	Chairmanship/ Membership in the committees of other companies as on March 31, 2020**		Attendance at the last AGM held on August 27, 2019	Core skills, expertise, and competencies
	Held during the tenure	Attended		Member	Chairman		
<b>Dr. Arun Kumar Verma</b> Director (Government Nominee) (upto August 27, 2019)	6	3	NA	NA	NA	Not Present	<ul style="list-style-type: none"> <li>• B. Tech and M. Tech in Electrical Engineering from Indian Institute of Technology (IIT), Kanpur.</li> <li>• M.Sc. in Public Policy and Management from King's College London and also a law graduate.</li> </ul>
<b>Smt Gouri Chaudhury</b> Independent Director	13	11	Nil	Nil	Nil	Present	<ul style="list-style-type: none"> <li>• M.A. in English</li> <li>• Sangeet Prabhakar (Sitar)</li> <li>• Social Worker</li> </ul>

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2020*	Chairmanship/ Membership in the committees of other companies as on March 31, 2020**		Attendance at the last AGM held on August 27, 2019	Core skills, expertise, and competencies
	Held during the tenure	Attended		Member	Chairman		
<b>Shri R.C Mishra</b> Independent Director (w.e.f. July 11, 2019)	10	9	Nil	Nil	Nil	Present	<ul style="list-style-type: none"> <li>Indian Administrative Service (IAS) in 1978.</li> <li>Master degree in Science (M.Sc.) from University of Allahabad and Master degree in Business Administration (M.B.A) from University of Ljubljana, Slovenia.</li> </ul>
<b>Shri Sitaram Pareek</b> Independent Director (upto February 5, 2020)	10	10	NA	NA	NA	Present	<ul style="list-style-type: none"> <li>B.Com, FCA, DISA</li> <li>Member of the Institute of Chartered Accountants of India</li> <li>Founder partner of M/s SARDA &amp; PAREEK, Chartered Accountants, Mumbai</li> </ul>

\* Does not include Directorship in Private Companies, Section 8 Companies under the Companies Act, 2013 and Foreign Companies.

\*\* Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee.

#### Details of Directorship in Listed Entities

<sup>#a</sup> Nominee Director of PFC in PTC India Limited

<sup>#b</sup> Nominee Director of PFC in REC Limited

<sup>#c</sup> Government Nominee Director in REC Limited and PTC India Limited.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director. None of the Directors of the Company are in any way related to each other.

#### Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors was held on January 4, 2020 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 and as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. All the Independent Directors attended the said Meeting.

#### Declaration by Independent Directors

All the Independent Directors in the first meeting of the Board of the FY 2019-20 held on

May 17, 2019, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs.

Further, all the Independent Directors in the first meeting of the Board of the FY 2020-21 held on May 11, 2020 gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs. The Board of Directors in the said meeting confirmed that the Independent Directors of the Company fulfill the conditions

specified in Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs and are independent of the management. No Independent Director has resigned during the FY 2019-20.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are the persons of high integrity and repute. The Independent Directors have registered themselves for the online proficiency test and shall be taking it within the prescribed period.

### Familiarization programme for Independent Directors

The details of familiarization programmes imparted to Independent Directors are displayed on the Company's website after completion of the programme. The details posted on the website can be accessed following the weblink:

[http://www.pfcindia.com/DocumentRepository/ckfinder/files/Investors/Equities/Disclosure/12042019/Disclosure\\_SEBI\\_46\\_2.pdf](http://www.pfcindia.com/DocumentRepository/ckfinder/files/Investors/Equities/Disclosure/12042019/Disclosure_SEBI_46_2.pdf)

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

In terms of the regulatory requirements and in order to facilitate expeditious consideration and focused decision making on the affairs of the company, the Board has constituted Board level committees with distinct role, accountability and authority. The board had accepted the recommendations of committees of the board which is mandatorily required, in the relevant financial year. The Board Level Committees are as follows:

- i) Audit Committee of Directors
- ii) Nomination and Remuneration Committee
- iii) Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee
- iv) Risk Management Committee
- v) CSR & Sustainable Development Committee of Directors

The details of the meetings attended by members during the FY 2019-20 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R.C Mishra (w.e.f. August 13, 2019)	Independent Director	3	3
Smt Gouri Chaudhury	Independent Director	7	7

- vi) Loans Committee of Functional Directors
- vii) Investment Committee of Directors
- viii) HR Committee
- ix) ALM Committee of Functional Directors

### 3.1 Audit Committee of Directors

As per the requirements under the Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms, the Board of Directors of the company has constituted an Audit Committee of Directors.

The Audit Committee of the company constituted by the Board comprises of two independent directors and one functional Director. The meetings of the committee, during the year, were chaired by an independent director.

As on March 31, 2020, the Audit Committee comprised of the following:

Name of Member	Designation
Shri R.C Mishra	Chairman
Smt. Gouri Chaudhury	Member
Shri R.S Dhillon	Member

The Company Secretary continued to be the Secretary to the Committee. The role, terms of reference, scope and authority of Audit Committee are as provided under the relevant provisions of Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

During the FY 2019-20, seven meetings of the Audit Committee were held i.e. (i) May 16, 2019 (ii) May 29, 2019 (iii) July 29, 2019 (iv) August 13, 2019 (v) September 20, 2019 (vi) November 14, 2019 and (vii) February 12, 2020.



Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R.S Dhillon (from. June 12, 2019 to August 12, 2019) (w.e.f. February 6, 2020)	Director (Projects)	3	3
Shri Sitaram Pareek (upto February 5, 2020)	Independent Director	6	6
Shri Chinmoy Gangopadhyay (upto April 30, 2019)	Director (Projects)	0	0

Director (Finance) and Director (Commercial) are permanent invitees to the meetings of the said committee.

Further, the head of internal audit, independent Internal Auditors and representative of the statutory auditor(s) were invited to the Audit Committee Meetings for interacting with the members of the committee.

### 3.2 Nomination and Remuneration Committee

Your company is a Central Public Sector Undertaking, and accordingly the appointment of CMD & Directors and fixation of their remuneration are decided by President of India in terms of the Articles of Association of the Company. However, your company has constituted a Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

As on March 31, 2020 the Nomination and Remuneration Committee comprised of the following:

Name of Member	Designation
Shri R.C Mishra	Chairman
Smt Gouri Chaudhury	Member
Shri Mritunjay Kumar Narayan	Member

Director (Finance), Director (Commercial) and Director (Projects) are permanent invitees to the meetings of the said committee.

The Role and Terms of Reference of the Nomination and Remuneration Committee are as provided under the relevant provisions of Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

During the FY 2019-20, three meetings of the Nomination and Remuneration Committee were held i.e. (i) June 24, 2019 (ii) July 29, 2019 and (iii) September 20, 2019.

The detail of the meeting attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R.C Mishra (w.e.f. August 13, 2019)	Independent Director	1	1
Smt Gouri Chaudhury	Independent Director	3	3
Shri Mritunjay Kumar Narayan (w.e.f. February 6, 2020)	Govt. Nominee Director	0	0
Shri Sitaram Pareek (upto February 5, 2020)	Independent Director	3	3
Shri P.K Singh (upto August 12, 2019)	Director (Commercial)	2	2

### Remuneration Policy

Your Company is a Central Public Sector Undertaking in which all members of the Board are appointed by the President of India through the administrative ministry i.e. Ministry of Power, Government of India, which, inter-alia, fixes the

remuneration of such Whole Time Directors through their respective appointment orders/pay fixation orders. The appointment and remuneration of other employees of the Company is done as per the DPE guidelines. The members of the Board, apart from receiving Directors' remuneration, in case of



CMD and Whole Time Directors, do not have any material pecuniary relationship or transaction with the company, its promoters or its subsidiary, which in the judgment of Board may affect independence of judgment of Directors. PFC being a government company, the evaluation of performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Power, Government of India.

The Ministry of Corporate Affairs vide its notification dated June 5, 2015 has inter-alia exempted the Government Companies in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, as per its own evaluation methodology. Accordingly, PFC being a Government company is exempted in terms of above notification as the evaluation of performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Power, Government of India.

Further, MCA vide Notification dated July 5, 2017 prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, prescribed in Schedule IV of the Companies Act, 2013, is also not applicable to Government Companies.

Similar exemption has been requested by some of the PSUs through Department of Public Enterprises, from SEBI under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors in their separate meeting held on January 4, 2020 evaluated the performance of Non-Independent Directors, Chairman and the Board as a whole under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in line with SEBI's Guidance Note on Board Evaluation dated January 5, 2017.

#### Remuneration of Whole Time Directors

The remuneration paid to whole time directors including the Chairman & Managing Director was as per the terms and conditions of their appointment.

Details of remuneration of Whole Time Directors of the company during FY 2019-20 are given below:

Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission ex-gratia (₹)	Performance linked incentives (₹)	Stock Options (₹)	Total (₹)
<b>RAJEEV SHARMA</b>	41,24,393	25,74,863	0	33,85,665	0	1,00,84,921
<b>C. GANGOPADHYAY</b> (upto April 30, 2019)	20,26,937	3,93,639	0	0	0	24,20,576
<b>N.B. GUPTA</b>	43,38,369	12,37,195	0	25,15,415	0	80,90,979
<b>P.K.SINGH</b>	37,64,197	13,90,174	0	21,85,248	0	73,39,619
<b>R.S.DHILLON</b> (w.e.f June 12, 2019)	29,84,048	9,23,985	0	0	0	39,08,033
<b>TOTAL</b>	<b>1,72,37,944</b>	<b>65,19,856</b>	<b>0</b>	<b>80,86,328</b>	<b>0</b>	<b>3,18,44,128</b>

#### Notes:

- The performance linked incentives are paid as per the Performance Related Pay (PRP) System of the Company.
- The appointment of Directors and terms of appointment including remuneration, notice period, severance fees, if any etc. are decided by President of India.
- Salary & Allowances have been considered on paid basis for the period working in capacity Director or KMP.
- Above information is as per Income from Salary as Form-16 (Income Tax Act, 1961)

#### Remuneration of Non-Executive Directors/ Independent and Government Nominee Directors

The Independent & Government Nominee Directors do not have any material pecuniary relationship or transactions with the Company. However, the Independent Directors were paid the sitting fees i.e. ₹20,000. In December, 2019 the Board of Directors enhanced the fee to ₹40,000/- for attending each Meeting of the Board of Directors and ₹30,000/- for attending each Meeting of Committee of Directors.

Government nominee director is not entitled to any remuneration or sitting fee from the Company.

As on March 31, 2020, Smt Gouri Chaudhury, Independent Director, Shri R.C Mishra, Independent Director and Shri Mritunjay Kumar Narayan, Government Nominee Director hold nil shares in the Company.

#### 3.3 Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee

The Company has set up a Stakeholders Relationship and Shareholders'/Investors' Grievance Committee to look into the redressal of the complaints of investors as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on March 31, 2020 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following:

Name of Member	Designation
Smt Gouri Chaudhury	Chairman
Shri N. B. Gupta	Member
Shri R.S Dhillon	Member

Shri Manohar Balwani, Company Secretary acts as the Compliance Officer of the Company.

During the FY 2019-20, four meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held i.e. (i) May 17, 2019 (ii) August 13, 2019 (iii) November 14, 2019 and (iv) February 12, 2020

The detail of the meeting attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Smt. Gouri Chaudhury	Independent Director	4	4
Shri N. B. Gupta	Director (Finance)	4	4
Shri R S Dhillon (w.e.f. June 12, 2019)	Director (Projects)	3	3
Shri Chinmoy Gangopadhyay (upto April 30, 2019)	Director (Projects)	0	0

Information on investor complaints for the year ended March 31, 2020 is as follows:

Particulars	Equity	Bonds
Pending at the beginning of the year	0	0
Received during the year	499	3,006
Disposed off during the year	499	3,006
Lying unresolved at the end of the year	0	0

### 3.4 Risk Management Committee

Risk Management Committee has been constituted to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities.

As on March 31, 2020 the Risk Management Committee comprised of the following:

Name	Designation
Shri N. B. Gupta	Chairman
Shri R.S Dhillon	Member

During the FY 2019-20, three meetings of the Risk Management Committee were held on (i) April 25, 2019 (ii) September 11, 2019 and (iii) March 23, 2020.

The detail of the meetings attended by members during the FY 2019-20 is as follows

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri N. B. Gupta	Director (Finance)	3	3
Shri R.S Dhillon (w.e.f. June 12, 2019)	Director (Projects)	2	2
Shri Chinmoy Gangopadhyay (upto April 30, 2019)	Director (Projects)	1	1

### 3.5 CSR & Sustainable Development Committee of Directors

CSR & Sustainable Development Committee has been constituted to give direction to the CSR and SD activities of the Company and to make recommendations to the Board of Directors for taking up various CSR & SD projects.

As on March 31, 2020 the CSR & Sustainable Development Committee comprised of the following:

Name	Designation
Shri R.C Mishra	Chairman
Smt Gouri Chaudhury	Member
Shri P. K. Singh	Member

During the FY 2019-20, seven meetings of the CSR & Sustainable Development Committee of Directors were held on (i) May 14, 2019 (ii) July 16, 2019 (iii) July 29, 2019 (iv) September 12, 2019 (v) October 22, 2019 (vi) December 4, 2019 and (vii) February 3, 2020.

The detail of the meetings attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R.C Mishra (w.e.f. August 13, 2019)	Independent Director	4	3
Shri Sitaram Pareek (upto February 5, 2020)	Independent Director	7	7
Smt Gouri Chaudhury (w.e.f. February 6, 2020)	Independent Director	0	0
Shri P. K. Singh	Director (Commercial)	7	7
Shri R.S Dhillon (from. June 12, 2019 to August 12, 2019 )	Director (Projects)	2	2
Shri Chinmoy Gangopadhyay (upto April 30, 2019)	Director (Projects)	0	0

### 3.6 Loans Committee of Functional Directors

During FY 2019-20, the Loans Committee of Directors & Committee of Functional Directors were subsumed into a new 'Loans Committee of Functional Directors' for sanctioning of financial assistance upto ₹500 crore to individual schemes or projects including enhancement of financial and lease assistance and relaxation of eligibility conditions.

As on March 31, 2020 the Loans Committee of Functional Directors comprised of the following:

Name	Designation
Shri Rajeev Sharma	Chairman
Shri N. B. Gupta	Member
Shri P. K. Singh	Member
Shri R.S Dhillon	Member

During the FY 2019-20, twelve meetings of the Loans Committee of Functional Directors were held on (i) September 13, 2019 (ii) October 7, 2019 (iii) October 31, 2019 (iv) November 27, 2019 (v) December 16, 2019 (vi) December 30, 2019 (vii) January 7, 2020 (viii) March 9, 2020 (ix) March 12, 2020 (x) March 23, 2020 (xi) March 28, 2020 and (xii) March 30, 2020. In addition, one meeting of the Loans Committee of Directors was held on June 21, 2019.

The detail of the meetings attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Rajeev Sharma	Chairman and Managing Director	12	12
Shri N.B Gupta	Director (Finance)	12	12
Shri P. K. Singh	Director (Commercial)	12	12
Shri R.S Dhillon	Director (Projects)	12	12

### 3.7 Investment Committee of Directors

The Investment Committee of Directors has been constituted for approving equity investment in IPOs of Central Power Sector Undertakings and also other related matters like exit/sale decisions, the number of shares to be applied through IPO, individual investment limit in each company on case to case basis, etc.

As on March 31, 2020 the Investment Committee of Directors comprised of the following:

Name	Designation
Shri Rajeev Sharma	Chairman
Shri N. B. Gupta	Member
Shri P. K. Singh	Member
Shri R.S Dhillon	Member
Shri R.C Mishra	Member

During the FY 2019-20 three meeting of the Investment Committee of Directors were held on (i) June 4, 2019 (ii) August 9, 2019 and (iii) February 12, 2020.

The detail of the meetings attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Rajeev Sharma	CMD	3	3
Shri N. B. Gupta	Director (Finance)	3	3
Shri P. K. Singh	Director (Commercial)	3	3
Shri R.S Dhillon	Director (Projects)	2	2
(w.e.f. June 12, 2019)			
Shri R.C Mishra	Independent Director	1	1
(w.e.f. February 6, 2020)			
Shri Sitaram Pareek	Independent Director	0	0
(from August 13, 2019 to February 5, 2020)			

### 3.8 HR Committee

HR Committee has been constituted to consider and submit their recommendations to the Board of Directors on all HR related matters before they are submitted to the Board for approval.

As on March 31, 2020 the HR Committee comprised of the following:

Name	Designation
Shri P. K. Singh	Chairman
Shri N. B. Gupta	Member
Shri R.S Dhillon	Member

During the FY 2019-20, three meetings of the HR Committee were held on (i) May 14, 2019 (ii) November 11, 2019 and (iii) December 13, 2019.

The detail of the meetings attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri P.K Singh	Director (Commercial)	3	3
Shri N.B Gupta	Director (Finance)	3	3
Shri R.S Dhillon (w.e.f. June 12, 2019)	Director (Projects)	2	2

### 3.9 ALM Committee of Functional Directors

ALM Committee of Functional Directors has been constituted pursuant to RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

As on March 31, 2020 the ALM Committee of Functional Directors comprised of the following:

Name	Designation
Shri N. B. Gupta	Chairman
Shri R.S Dhillon	Member

During the FY 2019-20, one meetings of the ALM Committee of Functional Directors was held on March 23, 2020.

The detail of the meeting attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri N.B Gupta	Director (Finance)	1	1
Shri R.S Dhillon	Director (Projects)	1	1

## 4. OTHER COMMITTEES

### IT Strategy Committee

Pursuant to RBI's Master Directions for Information Technology Framework for NBFCs, the Board of Directors of the Company constituted the IT Strategy Committee comprising of Shri R. C. Mishra, Independent Director, Chief Information Officer/ Chief Technology Officer and Chief Information Security Officer of the Company. The terms of reference and roles and responsibilities of

the said IT Strategy Committee include approving IT strategy and policy documents, monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; Ensuring proper balance of IT investments for sustaining PFC's growth and becoming aware about exposure towards IT risks and controls etc.

## 5 GENERAL BODY MEETING

The details of the last three Annual General Meetings of the company are as under:

AGM	Date	Day	Time	Location	Special Resolution
31 <sup>st</sup>	September 20, 2017	Wednesday	11.00A.M.	Talkatora Indoor Stadium, Talkatora Garden, New Delhi – 04.	<ul style="list-style-type: none"> <li>For Raising funds upto ₹65,000 crore through issue of Bonds/ Debentures/ notes/ debt securities on Private Placement basis in India and/or outside India.</li> </ul>
32 <sup>nd</sup>	September 11, 2018	Tuesday	10:30 A.M.	Talkatora Indoor Stadium, Talkatora Garden, New Delhi – 04.	<ul style="list-style-type: none"> <li>Appoint Smt. Gouri Chaudhury, 76 years, as an Independent Director of the Company.</li> <li>For Raising funds upto ₹65,000 crore through issue of Bonds/ Debentures/ notes/ debt securities on Private Placement basis in India and/or outside India.</li> <li>Approve scheme of arrangement for Amalgamation of PFC Green Energy Limited with PFC and their respective shareholders and creditors under Sections 230-232 of Companies Act, 2013.</li> </ul>
33 <sup>rd</sup>	August 27, 2019	Tuesday	11.00A.M.	Talkatora Indoor Stadium, Talkatora Garden, New Delhi – 04.	<ul style="list-style-type: none"> <li>For Raising funds upto ₹70,000 crore through issue of Bonds/Debentures/ notes/debt securities on Private Placement basis in India and/or outside India.</li> </ul>

### Postal Ballot

No Special Resolution was passed last year through Postal Ballot. Further, no special resolution is proposed to be conducted through postal ballot upto the ensuing AGM.

## 6. DISCLOSURES

The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interest of the Company. Further, the Company did not enter into any significant related party transactions with board members where they had personal interest. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Related Party Transaction" and the same is available at

[http://www.pfcindia.com/Default/ViewFile/?id=1561552784406\\_Final%20Policy%20on%20RPT%2017052019.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1561552784406_Final%20Policy%20on%20RPT%2017052019.pdf&path=Page)

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years. However, during FY 2019-20, the Company was in receipt of notices of penalty from National Stock Exchange and Bombay Stock Exchange for non-compliance of the requirement of composition of the Board.

The Company has in place an Internal Complaints committee to examine the cases related to sexual harassment under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013. During the FY 2019-20, the status of complaint under the said Act is as follows:

- Number of complaints filed during FY 2019-20: 01
- Number of complaints disposed of during FY 2019-20: Nil
- Number of complaints pending as on end of FY 2019-20: 01

In terms of the requirements under Section 177 of the Companies Act, 2013 read with the relevant Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to, inter-alia, establish a 'Vigil Mechanism'/'Whistle Blower Policy' for Directors and Employees to report their genuine concerns or grievances, about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. As an integral part of such Vigil Mechanism, the Whistle Blower Policy of PFC has been put in place and it is affirmed that no personnel has been denied access to the Audit Committee. The same is available at [http://www.pfcindia.com/Default/ViewFile/?id=1490188785276\\_WBP.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page).



Pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Material Subsidiary" and the same is available at

[http://www.pfcindia.com/Default/ViewFile/?id=1561552854274\\_Final%20Policy%20for%20Material%20Subsidiary17052019.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1561552854274_Final%20Policy%20for%20Material%20Subsidiary17052019.pdf&path=Page)

No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

Your Company has broadly complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India. Information on adoption / non-adoption of the non-mandatory requirements is given at **Annexure I** of this Report.

The Company has laid down the procedures to inform the board about the risk assessment and minimization. The Board of Directors of the company periodically reviews these procedures to ensure risks are managed through a properly defined framework.

The total fee paid by your company to the Statutory Auditors is ₹1.26 crore.

In the preparation of financial statements, the Company has followed Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2018, issued by the Ministry of Corporate Affairs, to the extent applicable.

## 7. MEANS OF COMMUNICATION

The company recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes continuous, efficient and relevant communication to public at large. The Company communicates with its shareholders through its annual report, general meeting, newspapers and disclosures through website. The Company also communicates with its institutional shareholders through investor conferences, conference calls etc. While the

Quarterly/Annual Financial results are published in national newspapers like The Times of India, Economic Times, Business Standard, Business Standard (Hindi), The Financial Express, Jansatta, Dainik Jagran (Hindi), Pioneer, Indian Express, etc., the same are also available on the website of the Company, viz. [www.pfcindia.com](http://www.pfcindia.com) and are also submitted to stock exchanges for wider dissemination.

All important information pertaining to the Company is mentioned in the Annual Report of the Company containing inter-alia audited accounts, consolidated financial statements, directors' report, auditors' report, report on corporate governance which is circulated to the members and other entitled persons for each financial year.

## 8. CEO/CFO CERTIFICATION

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by CEO i.e. Chairman & Managing Director and CFO i.e. Director (Finance) was placed before the Board of Directors at its meetings held on June 24, 2020 (Copy enclosed at **Annexure II** of this Report).

## 9. COMPLIANCE WITH APPLICABLE LAWS

The company has a robust Compliance monitoring system in place. The Board periodically reviews the status of compliances to ensure proper compliance of all laws applicable to the company.

## 10. CODE OF CONDUCT

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 your 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. A copy of the Code has been made available on the website of the Company i.e. [www.pfcindia.com](http://www.pfcindia.com).

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is enclosed at **Annexure III** of this Report.

## 11. CODE FOR PREVENTION OF INSIDER TRADING

In pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, your Company has formulated

the comprehensive Code i.e. "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" to preserve the confidentiality and to prevent misuse of un-published price sensitive information. All Designated Employees and other Connected Persons as mentioned in the Code have a duty to safeguard the confidentiality of all such information obtained in the course of his or her assignment at the company and not to misuse his or her position or information to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the securities of the Company and the consequences of non-compliance. The Company Secretary has been appointed as Compliance Officer and is responsible for ensuring adherence of the said Code.

In line with the requirement of the said Code, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. The Compliance Officer notified the closure of trading window on the website of the company well in advance restraining all the designated persons and their relatives not to deal in the securities of the Company when the trading window is closed.

The copy of the "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" is also available on the company website [http://www.pfcindia.com/Default/ViewFile/?id=1558715955387\\_Insider%20Trading%20Code.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1558715955387_Insider%20Trading%20Code.pdf&path=Page)

## 12. Shareholders' Information

### a) Annual General Meeting

Date	Time	Venue
29 September, 2020	12.30 p.m.	Through Video Conferencing (VC)

### b) Financial calendar for FY 2020-21 (Tentative)

Particulars	Date
Financial year	April 1, 2020 to March 31, 2021
Un-audited financial results for the first three quarters	Will be announced within 45 days from the end of each quarter.
Audited Financial Results	Audited Financial Results will be announced on or before May 30, 2021.
<b>AGM (Next year)</b>	August 2021

### c) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2020 to September 29, 2020 inclusive of both days.

### d) Payment of Dividend

Interim Dividend of ₹9.5 per share was paid on March 12, 2020 on the paid up equity share capital of the Company.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Dividend Distribution Policy", annexed herewith at **Annexure IV** and the same is available at

[http://www.pfcindia.com/Default/ViewFile/?id=1546009180778\\_DividendDistribution.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1546009180778_DividendDistribution.pdf&path=Page)

### e) Dividend History

Year	Total Paid-up Capital (₹ in crore)	Total Amount of Dividend paid (₹ in crore)	Rate of Dividend (%)	Date of Payment (Interim & Final)
2014-15	1,320.04 (Interim)	1,122.04	85	March 13, 2015
	1,320.04 (Final)	79.20	6	October 8, 2015
	<b>Total</b>	<b>1,201.24</b>	<b>91</b>	-
2015-16	1,320.04 (1 <sup>st</sup> Interim)	1161.64	88	January 4, 2016
	1,320.04 (2 <sup>nd</sup> Interim)	594.02	45	February 24, 2016
	1,320.04 (Final)	79.20	6	September 1, 2016
<b>Total</b>	<b>1,834.86</b>	<b>139</b>	-	-
2016-17	2,640.08 (Interim)	1,320.04	50	April 7, 2017
	<b>Total</b>	<b>1,320.04</b>	<b>50</b>	-
2017-18	2,640.08 (1 <sup>st</sup> Interim)	1,584.05	60	November 23, 2017
	2,640.08 (2 <sup>nd</sup> Interim)	475.21	18	March 19, 2018
	<b>Total</b>	<b>2,059.26</b>	<b>78</b>	-
2019-20	2,640.08 (Interim)	2,508.07	95	March 12, 2020
	<b>Total</b>	<b>2,508.07</b>	<b>95</b>	-

**f) Listing on Stock Exchanges**

PFC shares are listed on the following stock exchanges:

**National Stock Exchange of India Limited (NSE)**

Exchange Plaza,  
Bandra – Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Scrip Code: PFC EQ

**Bombay Stock Exchange Limited (BSE)**

Floor – 25, PJ Towers, Dalal Street,  
Mumbai – 400 001  
Scrip Code: 532810

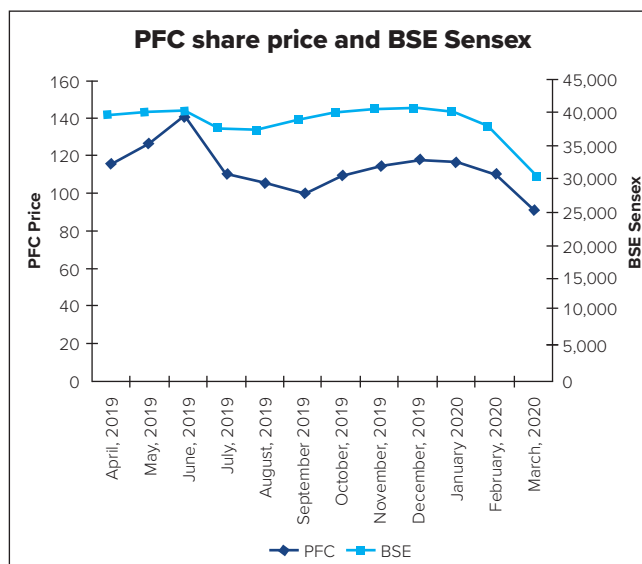
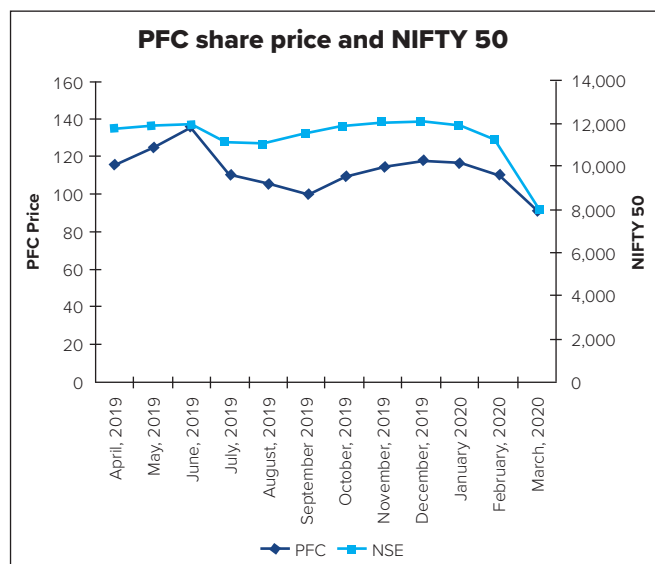
Stock Code (ISIN) : INE134E01011

The annual listing fees for the FY 2019-20 have been paid to NSE and BSE.

**g) Market Price Data**

Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April'19	124.00	123.75	113.05	113.15	115.60	115.95
May'19	125.30	125.15	104.80	104.90	124.30	124.15
June'19	138.75	138.80	122.85	123.00	134.20	134.10
July'19	135.25	135.20	106.50	106.55	109.75	109.80
August'19	112.50	112.40	97.70	97.75	104.80	104.95
September'19	113.10	113.00	97.30	97.35	99.40	99.25
October'19	110.25	110.20	90.45	90.50	109.15	109.10
November'19	119.90	119.90	108.10	108.05	114.50	114.45
December'19	118.80	118.75	107.20	107.25	117.90	117.80
January'20	125.50	125.45	103.85	103.90	116.65	116.60
February'20	133.40	133.30	108.35	108.10	109.45	109.30
March'20	115.50	115.35	78.50	78.70	91.95	92.15

**h) Performance in comparison to indices**



**i) Registrar and Transfer Agent for Equity Shares**

**Communication Address**

KFin Technologies Private Limited  
Selenium Building, Tower-B,  
Plot No. 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad-500032, Telangana, India  
Tel: +91 40 67162222  
Email: einward.ris@kfintech.com  
Website: [www.kfintech.com](http://www.kfintech.com)

**j) Share Transfer System**

Transfer of equity shares in electronic form are done through the depositories with no involvement of the Company. Share transactions are simpler and faster in electronic form. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to

complete the transaction by updating the account. There is no need for separate communication to the Company to register the transfer.

SEBI, effective April 1, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form.

### k) Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on March 31, 2020 is as follows:

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2019	3	1432
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2019-20	0	0
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2019-20	0	0
Less: Number of shares which were transferred to IEPF Account during the year 2019-20	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2020.	3	1432

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

### l) Distribution of shareholding

• Distribution of shareholding as on March 31, 2020

S. No	Amount	No. of shareholders	% of shareholders	Amount (₹)	% of shares
1	1-5000	2,16,723	85.85	30,31,73,540	1.15
2	5001-10000	21,025	8.33	16,82,64,050	0.64
3	10001-20000	8,307	3.29	12,38,75,920	0.47
4	20001-30000	2,218	0.88	56,73,93,30	0.21
5	30001-40000	985	0.39	35,65,23,90	0.13
6	40001-50000	707	0.28	33,28,55,80	0.13
7	50001-100000	1,192	0.47	86,53,06,30	0.33
8	100001 & Above	1,283	0.51	25,59,32,92,640	96.94
<b>Total</b>		<b>2,52,440</b>	<b>100</b>	<b>26,40,08,14,080</b>	<b>100</b>

• Shareholding pattern as on March 31, 2020

Category	Total No. of shares	% to Equity
President of India	1,47,82,91,778	55.99
Foreign Portfolio Investors	49,89,99,840	18.90
Mutual Funds	36,51,35,276	13.83
Insurance Companies	16,01,27,605	6.06
Resident Individuals	9,22,37,417	3.49
Bodies Corporate	1,44,87,512	0.55
Indian Financial Institutions	78,09,414	0.30
Banks	56,27,490	0.21
HUF	54,76,776	0.21
Trusts	26,43,254	0.10
Non Resident Indians	24,99,994	0.09
Non Resident Indian non repatriable	20,10,113	0.08
Employees	12,39,718	0.05
Clearing Members	12,04,715	0.05
NBFC's	11,16,457	0.04
Qualified Institutional Buyers	7,05,375	0.03
Foreign Institutional Investors	4,20,551	0.02
IEPF	48,123	0.00
<b>Total</b>	<b>2,64,00,81,408</b>	<b>100</b>

**m) Dematerialization of shares**

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2020.

Description	No. of Shares	% to total Capital Issued
NSDL	2,58,87,32,576	98.06
CDSL	5,13,17,523	1.94
Physical	31,309	0.00
<b>Total</b>	<b>2,64,00,81,408</b>	<b>100</b>

**n) Outstanding GDR and ADR Warrants or any convertible instruments, conversion date and likely impact on equity**

No GDR and ADR Warrants/Convertible Instruments have been issued by the Company.

**o) Commodity price risk or foreign exchange risk and hedging activities**

Your Company has put in place Currency Risk Management (CRM) policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like forwards, options and swaps.

**p) Address for correspondence**

**Registered Office**

'Urjanidhi', 1, Barakhamba Lane,  
Connaught Place,  
New Delhi- 110001

**Company Secretary**

Shri Manohar Balwani  
Tel: +91 11 23456020  
Fax: +91 11 23456786  
e-mail: [investorsgrievance@pfcindia.com](mailto:investorsgrievance@pfcindia.com)

**q) Credit Ratings**

**Domestic**

- During the FY 2019-20, Company's both long term & short term domestic borrowing programme (including bank loans) continued to be the highest rating.

- **Domestic Rating assigned by CRISIL, ICRA and CARE**

- Long term domestic borrowing programme Rating - CRISIL AAA, ICRA AAA and CARE AAA
- Short term domestic borrowing programme Rating - CRISIL A1+, ICRA A1+ and CARE A1+

- **International Rating**

The Company's international credit ratings continue to be Baa3 and BBB- assigned by International Credit Rating Agencies Moody's and Fitch respectively.

**r) Preferential Allotment/Qualified Institutions placement**

During the year, company has not raised any money by way of Preferential Allotment/Qualified Institutions placement of shares or other convertible securities.

## Annexure I of Report on Corporate Governance

### Non-Mandatory Requirements

The status of non-mandatory requirements pertaining to Corporate Governance Section of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

1. **The Board:** The Company is headed by an executive Chairman.
2. **Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading "Means and Communication" of the Corporate Governance report and also displayed on the website of the Company.
3. **Modified opinion(s) in audit report:** It is always Company's endeavour to move towards a regime of financial statements with unmodified audit opinion.
4. **Reporting of Internal Auditor:** The Internal auditors of the company are invited to the Meetings of the Audit Committee and regularly interact with the members of the Audit committee.

## Annexure II of Report on Corporate Governance

### Certificate to the Board of Directors under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### We hereby certify to the Board of Directors that:

We have reviewed financial statements and the cash flow statement for the year ended 31.03.2020 and that to the best of our knowledge and belief:

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:-

- i) Significant changes in internal control over financial reporting during the year;
- ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial; and
- iii) Fraud committed by two borrowers of the Company with outstanding principal amount of ₹664.02 crore as on 31.03.2020 have been detected and reported to Fraud Monitoring Cell of RBI during the FY 2019-20. To the best of our knowledge, neither management nor employee of PFC having a significant role in PFC's internal control system over financial reporting was involved in the said fraud.

Sd/  
**N. B. Gupta**  
 Director (Finance) / CFO  
 DIN - 00530741

Sd/  
**(R. S. Dhillon)**  
 Chairman & Managing Director / CEO  
 DIN - 00278074

## Annexure III of Report on Corporate Governance

### Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance:

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2020."

Sd/-  
**(R. S. Dhillon)**  
 Chairman & Managing Director  
 DIN - 00278074