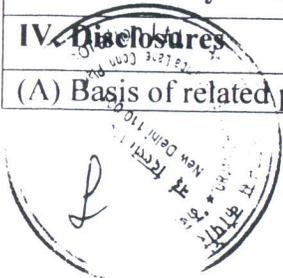


Quarterly Compliance Report on Corporate Governance

Name of the Company: Power Finance Corporation Limited
Quarter ending on: 30th September, 2010

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49 (I)		
(A) Composition of Board	49 (IA)	No	<p>The Board of Directors presently comprise of 9 members. Out of which 4 are Whole Time Directors including the Chairman, 2 Government Nominee Directors and 3 Independent Directors.</p> <p>The Listing Agreement stipulates that in case the Chairman of the Board is an executive director, at least half of the Board should comprise of independent directors.</p> <p>The Company has requested Government of India to initiate necessary steps to fill the balance number of vacancies of Independent Directors on the Board of the Company, so that the composition of the Board is in compliance with the Listing Agreement.</p>
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	Only Sitting fee is paid to the Directors with in the limits prescribed under Companies Act, 1956 as approved by the Board.
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III. Subsidiary Companies	49 (III)	Yes	Except clause (i) which is not applicable.
IV. Disclosures	49 (IV)		
(A) Basis of related party	49 (IV A)	N.A.	



Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
transactions			
(B) Disclosure of Accounting Treatment	49 (IV B)	N.A.	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.	Proceeds from IPO have been fully utilized.
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	




(J.S. Amitabh)
Company Secretary