

Quarterly Compliance Report on Corporate Governance

Name of the Company: Power Finance Corporation Limited
Quarter ending on: 31st December, 2010

| Particulars | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|---|-----------------------------|--------------------------|--|
| I. Board of Directors | 49 (I) | | |
| (A) Composition of Board | 49 (IA) | Yes | <p>The Ministry of Power, Government of India appointed an Independent Director on the Board of the Company on 31st December, 2010. Subsequently, the Ministry also relieved one of the Government Nominee Directors from the Board of the Company w.e.f. 6th January, 2011.</p> <p>The Board of Directors presently comprise of 10 members. Out of which 4 are whole time directors, 1 government nominee director and 5 independent directors.</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 transactions | 49 (IV A) | N.A. | |
| (B) Disclosure of Accounting | 49 (IV B) | N.A. | |



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|--|-----------------------------|--------------------------|---|
| Treatment | | | |
| (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

