

Quarterly Compliance Report on Corporate Governance**Name of the Company: Power Finance Corporation Limited****Quarter ending on: 31st December, 2012**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49 (I)		
(A) Composition of Board	49 (IA)	No	<p>As on 31st December, 2012, the Board of Directors comprised of 9 members. Out of which 4 are whole time directors, 1 government nominee director and 4 independent directors.</p> <p>Upto 21st December, 2012, the Company was in compliance with Clause 49 of the Listing Agreement in terms of number of Independent Directors on the Board, however due to the completion of tenure of two Independent Directors on 21st December, 2012, they have ceased to be Members of the Board of Directors. Further, one Independent Director was appointed w.e.f. 22nd December, 2012 and as on 31st December, 2012, post of one Independent Director is vacant.</p> <p>The Company has already requested Government of India to expedite the process of appointment of Independent Director on the Board of the Company, so that the company could comply with the Listing Agreement.</p>
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	Only Sitting fee is paid to the Independent Directors within 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)	No	<p>As on 31st December, 2012, the Audit Committee comprised of 2 members. Out of which 1 is a whole time director and 1 independent director.</p> <p>Upto 21st December, 2012 the company was in compliance with Clause 49 of the Listing</p>



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			Agreement in terms of composition of the Audit committee, however due to the completion of tenure of two Independent Directors on 21 st December, 2012, they have ceased to be the Chairman and Member of the Audit committee respectively. The reconstitution of the Audit committee in line with the Listing Agreement would be done in due course of time.
(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)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.	The issue proceeds from Further Public Offer of equity shares have been fully utilized for the purpose as mentioned under the objects of the issue enumerated in the Offer Document.
(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	


(Arun Kumar Shrivastav)
Company Secretary

