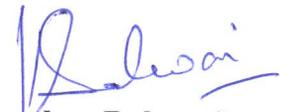


Quarterly Compliance Report on Corporate GovernanceName of the Company: **Power Finance Corporation Limited (PFC)**Quarter ending on: **31st December, 2014**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
II. Board of Directors	49 (II)		
(A) Composition of Board	49 (IIA)	No	As on 31 st December, 2014, the Board of Directors comprised of 7 members. Out of which 3 are whole time directors, 1 government nominee director and 3 independent directors. Further, in terms of Article 86 of Articles of Association (AoA) of PFC, the directors on the board of PFC are appointed by President of India. Accordingly, the Company has requested Government of India to expedite the process of appointment of the balance number of Independent Director on the Board of the Company so as to enable the company to comply with this Clause.
(B) Independent Directors	49 (IIB)	Yes	
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	The Code of Business Conduct & Ethics for Board Members and Senior Management is in place, wherein the duties of Independent Directors as laid down in the Companies Act, 2013 are being incorporated in due course.
(F) Whistle Blower Policy	49 (IIF)	Yes	Under the provisions of "Anti Fraud Policy" adopted by the Company, a whistle blower mechanism is broadly in place for reporting of fraud or suspected fraud in the Company involving employees (including contractual employees) as well as shareholders, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, outside agencies and/or any other parties with a business relationship with the Company.



III. Audit Committee	49 (III)		
(A) Qualified & Independent Committee	49 (IIIA)	Yes	
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
IV. Nomination and Remuneration Committee	49 (IV)	Yes	
V. Subsidiary Companies	49 (V)	Yes	A policy for determining "Material Subsidiary" is under consideration of competent authority.
VI. Risk Management	49 (VI)	Yes	
VII. Related Party Transactions	49 (VII)	Yes	A policy on materiality of related party transactions and dealing with Related Party Transactions is under consideration of competent authority.
VIII. Disclosures	49 (VIII)	Yes	
(A) Related party transactions	49 (VIIIA)	N.A.	
(B) Disclosure of Accounting Treatment	49 (VIIIB)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	
(D) Management	49 (VIII D)	Yes	
(E) Shareholders	49 (VIII E)	Yes	
(F) Proceeds from public issues, rights issue, preferential issues, etc	49 (VIII I)	N.A.	
IX. CEO/CFO Certification	49 (IX)	Yes	
X. Report on Corporate Governance	49 (X)	Yes	
XI. Compliance	49 (XI)	Yes	



(Manohar Balwani)
Company Secretary

मनोहर बलवानी / MANOHAR BALWANI
कंपनी सचिव / Company Secretary (A 1117)
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