

**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
<b>I. Board of Directors</b>	49 (I)		
(A) Composition of Board	49 (IA)	No	<p>As on 31<sup>st</sup> 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 21<sup>st</sup> 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 21<sup>st</sup> December, 2012, they have ceased to be Members of the Board of Directors. Further, one Independent Director was appointed w.e.f. 22<sup>nd</sup> December, 2012 and as on 31<sup>st</sup> 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	
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	No	<p>As on 31<sup>st</sup> 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 21<sup>st</sup> December, 2012 the company was in compliance with Clause 49 of the Listing</p>



