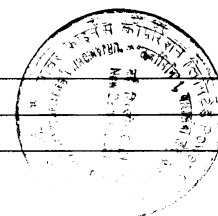


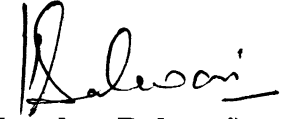
**Annexure I****Quarterly Compliance Report on Corporate Governance**

**Name of the Company:** Power Finance Corporation Limited  
**Quarter ending on:** 31st December, 2013

<b>Particulars</b>	<b>Clause of Listing agreement</b>	<b>Compliance Status Yes/No</b>	<b>Remarks</b>
<b>I. Board of Directors</b>	<b>49 (I)</b>		
(A) Composition of Board	49 (IA)	Yes	During the period from 1.10.2013 to 30.12.2013, the composition of Board of PFC was compliant to provisions of clause 49 (IA) of the listing agreement, however with the completion of tenure of one Independent Director on 31.12.2013, the composition is short of one Independent Director on 31.12.2013.  The Company has already requested Government of India to expedite the process of appointment of Independent Director on the Board of the Company.
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	Only Sitting fee is paid to the Independent Directors.
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	
<b>II. Audit Committee</b>	<b>49 (II)</b>		
(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	
<b>III. Subsidiary Companies</b>	<b>49 (III)</b>	Yes	Except clause (i) which is not applicable.
<b>IV. Disclosures</b>	<b>49 (IV)</b>		
(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.	
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	



Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
V. CEO/CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	



**(Manohar Balwani)**  
**Company Secretary**

