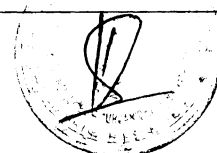


**Annexure I**

**Quarterly Compliance Report on Corporate Governance**

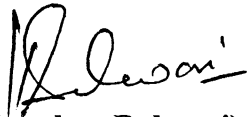
**Name of the Company:** Power Finance Corporation Limited  
**Quarter ending on:** 31<sup>st</sup> March, 2014

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>I. Board of Directors</b>	<b>49 (I)</b>		
(A) Composition of Board	49 (IA)	No	As on 31 <sup>st</sup> March, 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 81 of Articles of Association (AoA) of PFC Ltd., 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) 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>	<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	



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



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