

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

Name of the Company : **PASUPATI FINCAP LTD.**

Quarter ended on : **31<sup>st</sup> DECEMBER 2013**

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks																																									
<b>Board of Directors</b>	49 I																																											
Composition of Board	49 1 (A)	Yes	<p>The Board has three (3) Directors. Two Directors are Non-Executive &amp; Independent and one Director is Executive and Non-Independent.</p> <table border="1"> <tr> <td>Sh. Vidit Jain</td> <td>Executive Non-Independent</td> </tr> <tr> <td>Sh. Anand Aggarwal</td> <td>Non-executive Independent</td> </tr> <tr> <td>Ms. Rekha Sharma</td> <td>Non-executive Independent</td> </tr> <tr> <td>Total No. of Directors</td> <td>Three</td> </tr> <tr> <td>No. of Independent Directors</td> <td>Two</td> </tr> <tr> <td>No. of Non-Executive Directors</td> <td>Two</td> </tr> </table> <p>The Non-executive independent directors of the company satisfy the definition of the independent directors under Clause 49 1 (A) (iii) of the Listing Agreement.</p>	Sh. Vidit Jain	Executive Non-Independent	Sh. Anand Aggarwal	Non-executive Independent	Ms. Rekha Sharma	Non-executive Independent	Total No. of Directors	Three	No. of Independent Directors	Two	No. of Non-Executive Directors	Two																													
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Non – Executive Directors' compensation & disclosures	49 I (B)	Yes	No sitting fee or any other fee or compensation is being paid to the Non-executive / Independent Directors. The pecuniary relationship / transactions, if any, of the Non-executive Director for the year ended 31.03-2013 has been disclosed in the Annual Report for the year 2012-13.																																									
Other provisions as to Board and Committees	49 I (C)	Yes	<p>Following are the details of the Meetings held during the quarter ended on 31.12.2013:</p> <table border="1"> <thead> <tr> <th>Meetings</th> <th>Date</th> <th>No. of Members</th> <th>Member Present</th> </tr> </thead> <tbody> <tr> <td>Board Meeting</td> <td>11-11-2013</td> <td>3</td> <td>3</td> </tr> <tr> <td>Audit Committee Meeting</td> <td>11-11-2013</td> <td>3</td> <td>3</td> </tr> <tr> <td rowspan="8">Share Transfer and Grievance Committee</td> <td>10-10-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td>29-10-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td>31-10-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td>9-11-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td>20-11-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td>30-11-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td>10-12-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td>20-12-2013</td> <td>2</td> <td>2</td> </tr> <tr> <td></td> <td>31-12-2013</td> <td>2</td> <td>2</td> </tr> </tbody> </table>	Meetings	Date	No. of Members	Member Present	Board Meeting	11-11-2013	3	3	Audit Committee Meeting	11-11-2013	3	3	Share Transfer and Grievance Committee	10-10-2013	2	2	29-10-2013	2	2	31-10-2013	2	2	9-11-2013	2	2	20-11-2013	2	2	30-11-2013	2	2	10-12-2013	2	2	20-12-2013	2	2		31-12-2013	2	2
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			Number of directors who are members of more than 10 Committees or act as Chairman in more than 5 Committees across all companies in which they are director	NIL		
			Whether every director has informed the Company about the Committee position he occupies in other companies and has Notified changes, if any	YES		
(D) Code of Conduct	49 I (D)	Yes				
<b>II. Audit Committee</b>	49 II					
(A) Qualified & Independent Audit Committee	49 II (A)	Yes	<u>Members:</u> - Sh. Vidit Jain, - Sh. Anand Aggarwal & - Ms. Rekha Sharma. All members of Audit Committee are financially literate and have accounting and related financial management expertise.			
(B) Meeting of Audit Committee	49 II (B)	Yes	During the quarter ended on 31-12.2013, the meeting of Audit Committee was held on 11-11-2013. In the meeting held on 11-11-2013, the Committee reviewed the Unaudited results of the company for the quarter ended on 30.09.2013.			
(C) Powers of Audit Committee	49 II (C)	Yes	The Audit Committee includes the following powers: 13. To investigate any activity within its terms of reference, 14. To seek any information from any employee, 15. To obtain outside legal or other professional advice & 4. To secure attendance of outsiders with relevant expertise, if it considers necessary.			

(D) Role of Audit Committee	49 II (D)	YES	<p>The role of Audit Committee includes the following:</p> <p>37. Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.</p> <p>38. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees.</p> <p>39. Approval of payment of statutory auditors for any other services rendered by the statutory auditors.</p> <p>40. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:</p> <ul style="list-style-type: none"> <li>- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.</li> <li>- Changes, if any, in accounting policies and practices and reasons for the same.</li> <li>- Major accounting entries involving estimates based on the exercise of judgment by management.</li> <li>- Significant adjustments made in the financial statements arising out of audit findings.</li> <li>- Compliance with listing and other legal requirements relating to financial statements.</li> <li>- Disclosure of any related party transactions.</li> <li>- Qualifications in the draft audit report.</li> </ul> <p>41. Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.</p> <p>42. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system.</p> <p>43. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.</p> <p>44. Disclosure with internal auditors any significant findings and follow up thereon.</p> <p>45. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.</p> <p>10 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.</p>
(E) Review of information by Audit Committee	II (E)	Yes	During the last quarter ended on 30.09.2013, the meeting of Audit Committee was held on 13-8.2013. In this meeting , the Committee reviewed the unaudited quarterly results of the company for the quarter ended on 30.6.2013.
<b>III. Subsidiary Companies</b>	49 III	NA	The company has no subsidiary company.
<b>IV. Disclosures</b>	49 IV		
(A) Basis of related party transactions	49 IV (A)	YES	The details of related party transactions, if any, along-with its basis are being placed

			before the Audit Commit as and when required.
(B) Disclosure of Accounting Treatment.	49 IV (B)	YES	Complied.
(C) Board disclosures	49 IV (C)	YES	The company has laid down the procedures to inform the Board Members about the risk assessment and minimization procedures. These procedures have been reviewed periodically to ensure that executive management controls risk through means of a properly defined framework.
(D) Proceeds from public issues, right issues, preferential issues etc.	49 IV (D)	NA	NA
(E) Remuneration of Directors	IV (E)	NA	
(F) Management	49 IV (F)	YES	The requisite information such as opportunities, threats, outlooks, risks, industry etc. are being commented upon in the Director's Report of the Company and the Directors are also briefed on the issues in the Board Meeting.
(G) Shareholders	49 IV (G)	YES	The shareholders shall be / are being duly provided with the details of the directors proposed to be appointed/ re-appointed, if any. The meetings of Share Transfer-cum-Shareholders' Grievance Committee were held on the dates given above, wherein, inter-alia, a report for that period regarding redressal of grievance, if any, during the quarter ended on 31.12.2013, was tabled and discussed.
V. CEO/CFO Certification	49 V	YES	Certification from Director of the company has been made available in the Annual Report for the year 2012-13 relating to the compliance given under the Clause 49 (v) of the Listing Agreement.
VI. Report on Corporate Governance	49 VI	YES	The Annual Report includes a separate section on Corporate Governance implemented in the company, giving a detailed compliance report of the various requirements forming part of the Listing Agreement.
VII. Compliance	49 VII	YES	The certificate regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement from the Auditors of the Company is annexed with the Directors' Report and the same is a part of the Annual Report for the year 2012-13.

**FOR PASUPATI FINCAP LIMITED**

PLACE : NEW DELHI  
DATED : January 07, 2014

**DIRECTOR**