

 **SAKTHI FINANCE**  
AN EDIFICE BUILT ON TRUST

SFL:CG0611:039:2011-12

7th July 2011

Bombay Stock Exchange Limited  
Floor 25  
P J Towers  
Dalal Street  
Fort  
Mumbai - 400 001

*o/c*

Kind Attn	Mr Shyam Bhagirath DCS-CRD
Stock Code	511066

Sir,

**Compliance under Corporate Governance for the quarter ended 30th June 2011**

As required under Clause 49 of the Listing Agreement, we enclose in the Annexure the Compliance of the conditions of Corporate Governance for the quarter ended 30th June 2011 in the exchange recommended format.

We request you to take the document on record.

Yours faithfully  
For Sakthi Finance Limited



S Venkatesh  
Company Secretary

Encl:(1)

Cc to : Madras Stock Exchange Limited  
Exchange Building  
P O Box No.183  
New No.30, (Old No.11)  
Second Line Beach  
Chennai - 600 001

**Sakthi Finance Limited**

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

**ANNEXURE**

<b>Name of the Company</b>	<b>: Sakthi Finance Limited</b>
<b>Stock Code</b>	<b>: 511066</b>
<b>Quarter ended</b>	<b>: 30th June 2011</b>

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SI No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
<b>I</b>	<b>Board of Directors</b>	<b>49 (I)</b>		
	A. Composition of the Board	49(IA)	Yes	The total number of directors are Eight and the Board has a non-executive Chairman representing the promoters' group. The Company has five Independent directors on its Board. Hence the Company has complied with Clause 49 (IA) of the listing agreement.
	B. Non-executive Directors' compensation and disclosures	49(IB)	Yes	The non-executive directors are being paid only sitting fees. The details will be disclosed in the Corporate Governance section of the Annual Report for the year ended 31st March 2011.
	C. Other provisions as to Board and Committees	49(IC)	Yes	<ol style="list-style-type: none"> <li>1. A Board Meeting was convened during this quarter on 30th May 2011 to consider the Audited Financial Results for the year ended 31st March 2011</li> <li>2. The time gap between any two Board meetings is less than four months.</li> <li>3. The minimum information is made available to the Board as given in the Annexure IA to Clause 49 of the Listing Agreement.</li> <li>4. No Director is a member of more than ten committees or acting as Chairman of more than five committees in public limited companies in which he is a director. All directors have informed the company about the committee position they occupy in other companies.</li> <li>5. The Board periodically reviews the compliance reports of all applicable laws from the Senior Management Team.</li> </ol>
	D. Code of Conduct	49(ID)	Yes	The company has adopted a Code of Conduct for Directors and Senior Management Team. The Company has also obtained necessary declarations from the Board Members and Senior Management Personnel.



Sl No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
<b>II</b>	<b>Audit Committee</b>	<b>49(II)</b>		
	A. Qualified and Independent Audit Committee	49(IIA)	Yes	1. The Company has an Audit Committee comprising qualified and independent directors as members. 2. The committee consists of three non-executive independent directors 3. All members of Audit Committee are financially literate. 4. The Chairman of Audit Committee is an independent director.
	B. Meeting of Audit Committee	49(IIB)	Yes	The Committee held a meeting during the quarter on 30th May 2011.
	C. Powers of Audit Committee	49(IIC)	Yes	The Committee is vested with necessary powers as stipulated in the Listing Agreement.
	D. Role of Audit Committee	49(IID)	Yes	The Committee performs its role as stipulated in the Listing Agreement.
	E. Review of information by Audit Committee	49(IIE)	Yes	The Committee reviews all information submitted to it as mandated in the Listing Agreement.
<b>III</b>	<b>Subsidiary Companies</b>	<b>49(III)(i)</b>	Not Applicable	---
<b>IV</b>	<b>Disclosures</b>	<b>49(IV)</b>		
	A. Basis of related party transactions	49(IVA)(i)	Yes	A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee.
		49(IVA)(ii)		There was no material individual transaction with related parties which are not in the normal course of business during the quarter ended 30th June 2011.
		49(IVA)(iii)		There was no material individual transaction with related parties which are not on an arm's length basis during the quarter ended 30th June 2011.
	B. Disclosure of Accounting treatment	49(IVB)	Yes	The Company complies with applicable accounting standards.
	C. Board Disclosures - Risk Management	49(IVC)	Yes	Various risk assessment and minimization procedures are discussed.
	D. Proceeds from Public issues, rights issues, preferential issues etc.	49(IVD)		Not Applicable
	E. Remuneration of Directors	49(IV)(E)(i)		There is no pecuniary relationship or transactions with non-executive directors of the Company, except as approved under Section 297 of the Companies Act 1956
		49(IV)(E)(ii)	Will be complied with	The Company will disclose the details of remuneration paid to Vice Chairman and Managing Director in the Corporate Governance section of the Annual Report for the year ended 31st March 2011.
		49(IV)(E)(iii)		As no remuneration is paid to non-executive directors except sitting fees for attending the Board and Audit Committee Meetings, no disclosure is made on this account.





Name of the Company : Sakthi Finance Limited  
 Stock Code : 511066  
 Quarter ended : 30th June 2011

Sl No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
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		49(IV)(E)(iv)	Will be complied with	The company will disclose the number of shares held by the non-executive directors in the Corporate Governance section of the Annual Report for the year ended 31st March 2011.
		49(IV)(E)(v)	Will be complied with	The number of shares held by the non-executive directors proposed to be appointed / re-appointed as directors will be disclosed by the company in the Notice to the Annual General Meeting for the year ended 31st March 2011.
	F. Management	49(IV)(F)(i)	Will be complied with	A Management Discussion and Analysis Report will form part of the Annual Report for the year ended 31st March 2011.
		49(IV)(F)(ii)	The Senior management does not have any material financial and commercial transactions where they have personal interest that may have a potential conflict with the interest of the Company during the quarter ended 30th June 2011. Hence the Clause is not applicable.	
	G. Shareholders	49(IV)(G)	Will be complied with	1. Details regarding appointment or reappointment of a director will be made available in the Notice to the Annual General Meeting for the year ended 31st March 2011.
			Yes	2. The quarterly reports are being regularly sent to the stock exchanges to display it on their website.
			Yes	3. The Company has constituted a "Shareholders' and Investors' Grievance Committee" to redress the shareholders' grievances. A dedicated e-mail ID has been put in place to attend to investors' grievances.
			Yes	4. The Company has assigned the work of share transfers to S.K.D.C Consultants Limited, a SEBI recognised independent Registrars and Share Transfer Agents and they are attending to the work on a regular basis.
	V CEO / CFO Certification	49(V)	Will be complied with	Vice Chairman and Managing Director and President (Finance) have submitted a Certificate to the Board of Directors on 30th May 2011 while considering the Annual accounts for the year ended 31st March 2011.



<b>Name of the Company</b>	<b>: Sakthi Finance Limited</b>
<b>Stock Code</b>	<b>: 511066</b>
<b>Quarter ended</b>	<b>: 30th June 2011</b>

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<b>VI</b>	<b>Report on Corporate Governance</b>	49(VI)(i)	Will be complied with	A report on Corporate Governance will form part of the Annual Report for the year ended 31st March 2011.
		49(VI)(ii)	Yes	Quarterly report is being submitted at the end of the each quarter within the time limit prescribed.
<b>VII</b>	<b>Compliance</b>	49(VII)	Will be complied with	Auditors' Certificate on Corporate Governance will form part of the Annual Report for the year ended 31st March 2011.

7th July 2011  
Coimbatore - 641 018

For SAKTHI FINANCE LIMITED

  
S. VENKATESH  
Company Secretary