

 **SAKTHI FINANCE**
AN EDIFICE BUILT ON TRUST

SFL:CG0911:094:2011-12

10th October 2011

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

o/c

Kind Attn	Mr Shyam Bhagirath DCS
Stock Code	511066

Sir,

Compliance under Corporate Governance for the quarter ended 30th September 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 September 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 (Stock Code: SKF)
Exchange Building
P O Box No.183
New No.30, (Old No.11)
Second Line Beach
Chennai - 600 001

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

ANNEXURE

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

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SI No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
I	Board of Directors	49 (I)		
	A. Composition of the Board	49(IA)	Yes	The total number of directors are seven and the Board has a non-executive Chairman representing the promoters' group. The Company has four Independent directors on its Board. Hence the Company continues to comply 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 have been disclosed under Corporate Governance Report (Page No.14) 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"> 1. A Board Meeting was convened during this quarter on 10th August 2011 to consider the Unaudited Financial Results for the quarter ended 30th June 2011. 2. The time gap between any two Board meetings is less than four months. 3. The minimum information is made available to the Board as given in the Annexure IA to Clause 49 of the Listing Agreement. 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. 5. The Board periodically reviews the compliance reports of all applicable laws from the Senior Management Team.
	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.



SI No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
II	Audit Committee	49(II)		
	A. Qualified and Independent Audit Committee	49(IIA)	Yes	1. The Company has an Audit Committee consisting of qualified and independent directors as members. 2. Reconstituted Audit Committee has been disclosed under Corporate Governance Report (Page No.14) of the Annual Report for the year ended 31st March 2011. 3. The committee consists of three non-executive, independent directors 4. All members of Audit Committee are financially literate. 5. 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 10th August 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.
III	Subsidiary Companies	49(III)(i)	Not Applicable	---
IV	Disclosures	49(IV)		
	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 for approval.
		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 September 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 September 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 minimisation 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)	Yes	The Company has disclosed 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.



SI No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
		49(IV)(E)(iv)	Yes	The company has disclosed 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)	Yes	The number of shares held by the non-executive directors proposed to be re-appointed as directors is disclosed by the company in the Annexure to the Notice to the Annual General Meeting for the year ended 31st March 2011.
	F. Management	49(IV)(F)(i)	Yes	A Management Discussion and Analysis Report forms 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 September 2011. Hence the Clause is not applicable.
	G. Shareholders	49(IV)(G)	Yes	1. Details regarding reappointment of director has been made in the Annexure to the Notice to the Annual Report 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 the work on a regular basis.
	V CEO / CFO Certification	49(V)	Yes	Vice Chairman and Managing Director and Senior President (Finance and Corporate Services) have submitted a Certificate to the Board of Directors while considering the Unaudited Financial Results for the quarter ended 30th June 2011 on 10th August 2011.



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

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Sl No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
VI	Report on Corporate Governance	49(VI)(i)	Yes	A report on Corporate Governance forms 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.
VII	Compliance	49(VII)	Yes	Auditors' Certificate on Corporate Governance forms part of the Annual Report for the year ended 31st March 2011.

10th October 2011
Coimbatore - 641 018

For SAKTHI FINANCE LIMITED


S. VENKATESH
Company Secretary