

SAKTHI FINANCE

AN EDIFICE BUILT ON TRUST

SFL:CG0312:014:2012-13

12th April 2012

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

Madras Stock Exchange Limited
Exchange Building
P O Box No.183
30, Second Line Beach
Chennai - 600 001

Fax Nos:022 - 22723121 / 22723719 /
22722309

Fax No: 044 - 25244897

Scrip Code: 511066

Scrip Code : SKF

Kind Attn: Mr Jayesh Ashtekar
Manager, DCS

Mr P Sampathkumar
Manager (Listing)

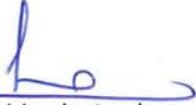
Sirs,

**Compliance under Corporate Governance for the quarter ended
31st March 2012**

In compliance with Clause 49 of the Listing Agreement, we enclose in the Annexure the compliance Report on Corporate Governance for the quarter ended 31st March 2012 in the format prescribed by the exchange.

We request you to take the document on record.

Yours faithfully
For Sakthi Finance Limited


S Venkatesh
Company Secretary

Encl: (1)

Sakthi Finance Limited

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QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

ANNEXURE

Name of the Company	: Sakthi Finance Limited
Stock Code	: 511066 / SKF
Quarter ended	: 31st March 2012

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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 Board of Directors consist of Seven Directors. The Board has a non-executive Chairman representing the promoter 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)	Will be disclosed in the Annual Report for the year ended 31st March 2012.	The non-executive directors are being paid only sitting fees. The details will be disclosed under the Corporate Governance section of the Annual Report for the year ended 31st March 2012.
	C. Other provisions as to Board and Committees	49(IC)	Yes	<ol style="list-style-type: none"> Two Board Meetings were convened during this quarter on 13th February 2012 and 19th March 2012 to consider the Unaudited financial results for the quarter / nine months period ended 31st December 2011 and Business Plan for the year 2012-13 respectively. The time gap between any two Board meetings is less than four months. The minimum information is made available to the Board as given in the Annexure IA to Clause 49 of the Listing Agreement. 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. 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
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II	Audit Committee	49(II)		
	A. Qualified and Independent Audit Committee	49(IIA)	Yes	<p>1. The Company has an Audit Committee consisting of qualified and independent directors as members.</p> <p>2. Constitution of Audit Committee has been disclosed under Corporate Governance Report (Page No.14) of the Annual Report for the year ended 31st March 2011 and will also be disclosed in the Annual Report for the year ended 31st March 2012.</p> <p>3. The committee consists of three non-executive directors of which two are independent directors.</p> <p>4. All the members of Audit Committee are financially literate.</p> <p>5. The Chairman of Audit Committee is an independent director.</p>
	B. Meeting of Audit Committee	49(IIB)	Yes	The Committee held a meeting during the quarter on 13th February 2012.
	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 31st March 2012.
		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 31st March 2012.
	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)		<p>The Allotment Committee of Directors at their Meeting held on 31st March 2012 have allotted 1,98,93,019 equity shares of Rs.10 each at Rs.11.10 per share aggregating to Rs.2208.13 lakhs on preferential basis to Promoter Group Companies and a Non-Promoter Company. As required under Clause 43 of the Listing Agreement, the company has submitted the following statement on the utilisation of preferential issue proceeds.</p> <p>"Against the receipt of preferential equity issue proceeds of Rs 2208.13 lakhs from the allottees, the company has utilized the entire issue proceeds for the purpose of increasing the Network, Capital Adequacy Ratio of the Company as stated in the Notice of Extraordinary General Meeting."</p>



Name of the Company : Sakthi Finance Limited
 Stock Code : 511066 / SKF
 Quarter ended : 31st March 2012

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	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 disclosed in the Annual Report for the year ended 31st March 2012.	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 2012.
		49(IV)(E)(iii)	As no remuneration is paid to non-executive directors except sitting fees for attending the Board and Committee Meetings, no disclosure is made on this account.	
		49(IV)(E)(iv)	Will be disclosed in the Annual Report for the year ended 31st March 2012.	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 2012.
		49(IV)(E)(v)	Will be disclosed in the Annual Report for the year ended 31st March 2012.	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 2012.
	F. Management	49(IV)(F)(i)	Will be disclosed in the Annual Report for the year ended 31st March 2012.	A Management Discussion and Analysis Report will form part of the Annual Report for the year ended 31st March 2012.
		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 31st March 2012. Hence the Clause is not applicable.	
	G. Shareholders	49(IV)(G)	Will be disclosed in the Annual Report for the year ended 31st March 2012. Yes Yes Yes	1. Details regarding appointment or reappointment of directors will be made available in the Notice to the Annual General Meeting for the year ended 31st March 2012. 2. The quarterly reports are being regularly sent to the stock exchanges to display it on their website and also put on company's website. 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. 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)	Will be disclosed in the Annual Report for the year ended 31st March 2012.	Vice Chairman and Managing Director and President (Finance) will submit a Certificate to the Board of Directors while considering the Annual Accounts for the year ended 31st March 2012.



Name of the Company : Sakthi Finance Limited
 Stock Code : 511066 / SKF
 Quarter ended : 31st March 2012

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SI No.	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
VI	Report on Corporate Governance	49(VI)(i)	Will be complied in the Annual Report for the year ended 31st March 2012.	A report on Corporate Governance will form part of the Annual Report for the year ended 31st March 2012.
		49(VI)(ii)	Yes	Quarterly report is being submitted at the end of the each quarter within the prescribed time limit.
VII	Compliance	49(VII)	Will be complied in the Annual Report for the year ended 31st March 2012.	Auditors' Certificate on Corporate Governance will form part of the Annual Report for the year ended 31st March 2012.

12th April 2012
 Coimbatore - 641 018

For SAKTHI FINANCE LIMITED


 S. VENKATESH
 Company Secretary