

 **SAKTHI FINANCE**
AN EDIFICE BUILT ON TRUST

SFL:CG0914:89:2014-15

8th October 2014

BSE 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
Email Id :corp.compliance@bseindia.com	lc@mseindia.in
Kind Attn: Mr Jayesh Ashtekar Manager, DCS	Mr P Sampathkumar Asst. General Manager (Listing)

Sirs,

Compliance under Corporate Governance for the quarter ended 30th September 2014

In compliance with Clause 49 of the Listing Agreement, we enclose in the Annexure the compliance Report on Corporate Governance for the quarter ended 30th September 2014 in the exchange prescribed format. We also enclose a copy each of our Annual Report 2014 and Notice to Members for your reference and records.

We request you to take the document on record.

Yours faithfully
For Sakthi Finance Limited


S Venkatesh
Company Secretary

Encl: (3)

Sakthi Finance Limited

62, Dr. Nanjappa Road Coimbatore - 641 018 | T: 0422 2231471/4 | F: 0422 2231915 | W: www.sakthifinance.com
CIN : L65910TZ1955PLC000145

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

ANNEXURE

Name of the Company	: Sakthi Finance Limited
Stock Code	: BSE - 511066 / MSE - SKF
Quarter ended	: 30th September 2014

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Sl 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(I)(A)	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 (I)(A) of the Listing Agreement.
	B. Non-executive Directors' compensation and disclosures	49(I)(B)	Yes	The non-executive directors are being paid only sitting fees. The details have been disclosed under Corporate Governance Report (Page No.10) of the Annual Report for the year ended 31st March 2014.
	C. Other provisions as to Board and Committees	49(I)(C)(i)	Yes	1. A Board Meeting was convened during this quarter on 9th August 2014 to consider and approve the Audited Financial Statements for the year ended 31st March 2014
		49(I)(C)(ii)	Yes	2. The time gap between any two Board meetings is within four months only.
		49(I)(C)(iii)	Yes	3. The information as required in the Annexure I A to Clause 49 of the Listing Agreement is made available to the Board.
		49(I)(C)(iv)	We will comply with this requirement as and when the occasion arises.	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 position of committee membership they hold in other companies.
	D. Code of Conduct	49(I)(D)(i) and (ii)	Yes	The Board periodically reviews the compliance reports of all applicable laws from the Senior Management Team.
				The company has adopted a Code of Conduct for Directors and Senior Management Team. The Company has obtained declarations from the Board Members and Senior Management Personnel. A declaration to this effect has been disclosed under the Corporate Governance Report in the Annual Report for the year ended 31st March 2014.



Name of the Company : Sakthi Finance Limited
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II	Audit Committee	49(II)		
	A. Qualified and Independent Audit Committee	49(II)(A)(i)	Yes	1. The Company has an Audit Committee consisting of qualified and independent directors as its members. 2. Constitution of Audit Committee has been disclosed under Corporate Governance Report (Page No.8) of the Annual Report for the year ended 31st March 2014.
		49(II)(A)(ii)	Yes	3. The committee consists of three non-executive directors of which two are independent directors. All the members of Audit Committee are financially literate.
		49(II)(A)(iii)	Yes	The Chairman of Audit Committee is an independent director.
	B. Meeting of Audit Committee	49(II)(B)	Yes	The Committee held a meeting during the quarter on 8th August 2014.
	C. Powers of Audit Committee	49(II)(C)	Yes	The Committee is vested with necessary powers as stipulated in the Listing Agreement.
	D. Role of Audit Committee	49(II)(D)	Yes	The Committee performs its role as stipulated in the Listing Agreement.
	E. Review of information by Audit Committee	49(II)(E)	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(IV)(A)(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(IV)(A)(ii)		There was no material individual transaction with related parties which are not on the normal course of business during the quarter ended 30th September 2014.
		49(IV)(A)(iii)		There was no material individual transaction with related parties which are not on arm's length basis during the quarter ended 30th September 2014.
	B. Disclosure of Accounting treatment	49(IV)(B)	Yes	The Company complies with applicable accounting standards.
	C. Board Disclosures - Risk Management	49(IV)(C)	Yes	Various risk assessment and minimisation procedures were discussed.
	D. Proceeds from Public issues, rights issues, preferential issues etc.	49(IV)(D)		Not Applicable



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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)	Yes	The Company has disclosed the details of remuneration paid to Vice Chairman and Managing Director in the Corporate Governance Report (Page No.10) of the Annual Report for the year ended 31st March 2014.
		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)	Yes	The company has disclosed the number of shares held by the non-executive directors in the Corporate Governance Report (Page No.10) of the Annual Report for the year ended 31st March 2014.
		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 of the Annual Report for the year ended 31st March 2014.
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 2014.
		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 2014. Hence the Clause is not applicable.
G.	Shareholders	49(IV)(G)(i)	Yes	1. Details regarding reappointment of directors has been made available in the Annexure to the Notice of the Annual Report for the year ended 31st March 2014.
		49(IV)(G)(ia)	Yes	The relationship between directors <i>inter se</i> was made in the Corporate Governance Report (Page No.8) of the Annual Report for the year ended 31st March 2014.
		49(IV)(G)(ii)	Yes	2. The quarterly reports are being regularly sent to the stock exchanges to display it on their website and also hosted on company's website.
		49(IV)(G)(iii)	Yes	3. The Company has constituted a "Stakeholders' Relationship Committee" (formerly Shareholders' and Investors' Grievance Committee) to redress the shareholders' grievances. A dedicated e-mail ID has been put in place to receive and to attend the investors' grievances.
		49(IV)(G)(iv)	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.



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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 Annual Accounts for the year ended 31st March 2014.
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 2014.
		49(VI)(ii)	Yes	Quarterly report is being submitted at the end of the each quarter within the prescribed time limit.
VI	Compliance	49(VII)(1)	Yes	Auditors' Certificate on Corporate Governance forms part of the Annual Report for the year ended 31st March 2014.
		49(VII)(2)	Yes	The status of disclosure of Non-Mandatory requirements was made in the Corporate Governance Section of the Annual Report for the year ended 31st March 2014.

8th September 2014
 Coimbatore - 641 018

For SAKTHI FINANCE LIMITED


 S. VENKATESH
 Company Secretary