

# SAKTHI FINANCE

AN EDIFICE BUILT ON TRUST

SFL:CG1213:115:2013-14

7th January 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:corp.compliance@bseindia.com	lc@mseindia.in
Kind Attn: Mr Jayesh Ashtekar Manager, DCS	Mr P Sampath Kumar Assistant General Manager

Sirs,

**Quarterly Compliance Report on Corporate Governance for the quarter ended 31st December 2013**

As required under Clause 49 of the Listing Agreement, we enclose in the Annexure the compliance Report on Corporate Governance for the quarter ended 31st December 2013 in the exchange prescribed format.

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**

<b>Name of the Company</b> : Sakthi Finance Limited
<b>Stock Code</b> : BSE - 511066 / MSE - SKF
<b>Quarter ended</b> : 31st December 2013

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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 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)	Yes	The non-executive directors are being paid only sitting fees. The details have been disclosed under Corporate Governance Report (Page No.13) of the Annual Report for the year ended 31st March 2013.
	C. Other provisions as to Board and Committees	49(IC)	Yes	<ol style="list-style-type: none"> <li>One Board Meeting was convened during this quarter on 9th November 2013 to consider the Unaudited Financial Results for the quarter/ halfyear ended 30th September 2013.</li> <li>The time gap between two Board meetings is within four months only.</li> <li>The information placed before the Board is as given in the Annexure IA to Clause 49 of the Listing Agreement.</li> <li>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 occupy in other companies</li> <li>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. A declaration to this effect was disclose under Corporate Governance Report (Page No.20) of the Annual Report for the year ended 31st March 2013.



SI No	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
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<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 consisting of qualified and independent directors as its members. 2. Constitution of Audit Committee has been disclosed under Corporate Governance Report (Page No.12) of the Annual Report for the year ended 31st March 2013. 3. The committee consists of three non-executive directors of which two are independent directors. 4. All the 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 9th November 2013.
	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 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 December 2013.
		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 December 2013.
	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



Sl No	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
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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.13) of the Annual Report for the year ended 31st March 2013.
		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.13) of the Annual Report for the year ended 31st March 2013.
		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 (Page No.4) to the Notice to the Annual General Meeting for the year ended 31st March 2013.
	F. Management	49(IV)(F)(i)	Yes	A Management Discussion and Analysis Report forms part of the Annual Report (Page Nos.8-9) for the year ended 31st March 2013.
		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 December 2013. Hence the Clause is
	G. Shareholders	49(IV)(G)	Yes  Yes  Yes  Yes	<ol style="list-style-type: none"> <li>1. Details regarding reappointment of directors has been made in the Annexure (Page No.4) to the Notice of the Annual Report for the year ended 31st March 2013.</li> <li>2. The quarterly reports are being regularly sent to the stock exchanges to display it on their website and also hosted on the company's website.</li> <li>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.</li> <li>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.</li> </ol>




Name of the Company : Sakthi Finance Limited  
 Stock Code : BSE - 511066 / MSE - SKF  
 Quarter ended : 31st December 2013

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SI No	Particulars	Clauses of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4	5
V	CEO / CFO Certification	49(V)	Yes	Vice Chairman and Managing Director and Senior President (Finance and Corporate Services) submitted a Certificate to the Board of Directors on 9th November 2013 while considering the Unaudited Financial Results for the quarter ended 30th September 2013.
VI	Report on Corporate Governance	49(VI)(i)	Yes	A report on Corporate Governance forms part of the Annual Report (Page Nos.10-20) for the year ended 31st March 2013.
		49(VI)(ii)	Yes	Quarterly report for each quarter is submitted within the prescribed time limit.
VII	Compliance	49(VII)	Yes	Auditors' Certificate on Corporate Governance forms part of the Annual Report (Page No.20) for the year ended 31st March 2013.

7th January 2014  
 Coimbatore - 641 018

For SAKTHI FINANCE LIMITED

  
 S. VENKATESH  
 Company Secretary