

SHANTHI GEARS LIMITED



Regd. Office :
304-A Trichy Road
Singanallur
Coimbatore - 641 005, India

Phone : +91-422-2273722 to 34
Fax : +91-422-2273884 & 85
E-mail : info@shanthigears.com
Website : www.shanthigears.com

Sec/BSE/838/2012
April 5, 2012

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001

Kind Attention: Ms. Neha Gada
DCS - CRD

Dear Sirs,

Sub : Compliance with Clause 49 of the Listing Agreement - Reg.

Ref : Company Scrip Code : 522034

We enclose herewith the Quarterly Compliance Report for the Quarter Ended 31st March 2012 on Corporate Governance regarding Compliance with Clause 49 of the Listing Agreement.

Kindly take this in your records and acknowledge.

Thanking You,

Yours faithfully,

For **SHANTHI GEARS LIMITED**

A handwritten signature in black ink, appearing to be 'C. Subramaniam'.

C. Subramaniam
Company Secretary

Encl : As above

SHANTHI GEARS LIMITED

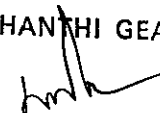


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| Quarterly Compliance Report on Corporate Governance | | | |
|--|------------------------------------|-----------------------------------|----------------|
| Name of the Company : | SHANTHI GEARS LIMITED | | |
| Quarter ending on : | 31/03/2012 | | |
| Particulars | Clause of Listing agreement | Compliance Status Yes / No | Remarks |
| I. Board of Directors | 491 | | |
| (A) Composition of Board | 49 (IA) | Yes | |
| (B) Non-executive Directors' compensation & disclosures | 49 (IB) | Yes | |
| (C) Other provisions as to Board and Committees | 49 (IC) | Yes | |
| (D) Code of Conduct | 49 (ID) | Yes | |
| II. Audit Committee | 49 (II) | | |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | |
| (B) Meeting of Audit Committee | 49 (IIB) | Yes | |
| (C) Powers of Audit Committee | 49 (IIC) | Yes | |
| (D) Role of Audit Committee | 49 II(D) | Yes | |
| (E) Review of Information by Audit Committee | 49 (IIE) | Yes | |
| III. Subsidiary Companies | 49 (III) | N.A. | |
| IV. Disclosures | 49 (IV) | | |
| (A) Basis of related party transactions | 49 (IV A) | Yes | |
| (B) Disclosure of Accounting Treatment | 49 (IV B) | Yes | |
| (C) Board Disclosures | 49 (IV C) | Yes | |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 (IV D) | Yes | |
| (E) Remuneration of Directors | 49 (IV E) | Yes | |
| (F) Management | 49 (IV F) | Yes | |
| (G) Shareholders | 49 (IV G) | Yes | |
| V. CEO/CFO Certification | 49 (V) | Yes | |
| VI. Report on Corporate Governance | 49 (VI) | Yes | |
| VII. Compliance | 49 (VII) | Yes | |

For SHANTHI GEARS LIMITED,


(C. Subramaniam),
Company Secretary.