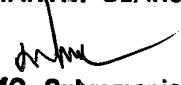


**CIN:L29130TZ1972PLC000649****Quarterly Compliance Report on Corporate Governance**Name of the Company : **SHANTHI GEARS LIMITED**Quarter ending on : **30/09/2014**

| Particulars   | Clause of Listing agreement | Compliance status Yes/No |
|---|-----------------------------|--------------------------|
| <b>I. Board of Directors</b>  | 49 I                        |                          |
| (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                      |
| <b>II. Audit Committee</b>  | 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 (IID)                    | Yes                      |
| (E) Review of Information by Audit Committee                            | 49 (IIE)                    | Yes                      |
| <b>III. Subsidiary Companies</b>  | 49 (III)                    | NA                       |
|   |                             |                          |
| <b>IV. Disclosures</b>  | 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)                   | NA                       |
| (E) Remuneration of Directors   | 49 (IV E)                   | Yes                      |
| (F) Management  | 49 (IV F)                   | Yes                      |
| (G) Shareholders  | 49 (IV G)                   | Yes                      |
| <b>V. CEO/CFO Certification</b>   | 49 (V)                      | Yes                      |
| <b>VI. Report on Corporate Governance</b>                               | 49 (VI)                     | Yes                      |
| <b>VII. Compliance</b>  | 49 (VII)                    | Yes                      |

For SHANTHI GEARS LIMITED,

  
**(C. Subramaniam),**  
**Company Secretary,**