

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

Quarterly Compliance Report on Corporate Governance

Name of the Company : **SHANTHI GEARS LIMITED**
Quarter ending on : **31/12/2012**

Particulars	Clause of Listing agreement	Compliance status Yes/No	Remarks
I. Board of Directors	49 I		
(A) Composition of Board	49 (IA)	Yes	Consequent to the changes in the Board of Directors at the Board meeting held on 3 rd September, 2012, as communicated to Stock Exchanges vide our letter of even date, the number of independent directors on the Company's Board has come down to 2 Directors on a total strength of 5. The Company is in the process of inducting another Independent Director, to achieve the specified minimum level of 50% under Clause 49(I)(A)(ii) of the Listing Agreement, which will be done within the permissible time stipulated under Clause 49(I)(C)(iv) thereof.
(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 (IID)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III. Subsidiary Companies	49 (III)	NA	
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)	NA	
(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