

**DETAILS OF COMPLIANCE OF CORPORATE GOVERNANCE**

Particulars	Clause of Listing agreement	Details of compliance
<b>I. Board of Directors</b>	49(1)	
(A) Composition of Board	49 (IA)	The Board consists of 13 Directors and has a non-executive Chairman, who is a promoter and related to Vice Chairman & Managing Director and Joint Managing Directors. Eight out of the 13 Directors are independent.
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Non-executive Directors are paid sitting fee of Rs.10,000 per meeting of the Board/ Committee attended by them.  In addition to Sitting Fee, the Chairman is paid Commission at the rate of 1% of the net profit of the Company.
(C) Other provisions as to Board and Committees	49 (IC)	The Board meets at least four times a year and the gap between two meetings does not exceed 4 months. The required details are duly made available to the Board for its consideration.  The number of Committees in which any of the Directors of the Company is a Member or Chairman does not exceed the prescribed limit
(D) Code of Conduct	49 (ID)	The Board has laid down a Code of Conduct and Ethics for all Board members and Senior Management of the Company. This Code of Conduct has been posted in the Company's Website.  All Board Members and Senior Management personnel confirm compliance with the code on annual basis and the Annual Report of the Company contains a declaration to that effect signed by the Vice Chairman & Managing Director of the Company.
<b>II. Audit Committee</b>	49 (II)	
(A) Qualified & Independent Audit Committee	49 (IIA)	The Board has constituted an Audit Committee consisting of 4 members of whom 3 are independent. All the members of the Committee are financially literate and have accounting or related financial management expertise. The Chairman of the Audit Committee is an independent Director.
(B) Meeting of Audit Committee	49 (IIB)	Audit Committee meets at least four times in a year and the gap between two meetings does not exceed four months.
(C) Powers of Audit Committee	49 (IIC)	The Audit Committee has been vested with necessary powers as contemplated in Section 292A of the Companies Act and in Clause 49 II of the Listing Agreement.
(D) Role of Audit Committee	49 II(D)	The Audit Committee performs the roles contemplated in the Companies Act and in the Listing Agreement.
(E) Review of Information by Audit Committee	49 (IIE)	The Audit Committee reviews the Management Discussion and Analysis of the financial condition and results of operations, besides other matters mandatorily to be reviewed, like, significant related party transactions, internal control measures and Internal Audit Reports.
<b>III. Subsidiary Companies</b>	49 (III)	An independent Director of the Company has been nominated in the Board of Directors of Sakthi Auto Component Limited, the

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		material non-listed Indian Subsidiary. The Audit Committee reviews the financial statements of the unlisted subsidiary companies. The minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board meetings of the Company. A statement of all significant transactions and arrangements entered into by the subsidiary companies are brought to the attention of the Board of Directors of the Company.
<b>IV. Disclosures</b>	49 (IV)	
(A) Basis of related party transactions	49 (IV A)	A statement in summary of the transactions with related parties in the ordinary course of business, details of individual transactions which are not in the ordinary course of business and the details of material individual transactions which are not at arms length, if any, are placed before the Audit Committee as well as the Board.
(B) Disclosure of Accounting Treatment	49 (IV B)	The Company follows the applicable Accounting Standard in preparation of the financial statements. In case of any deviation, the same is disclosed in the financial statements together with reasons therefor.
(C) Board Disclosures	49 (IV C)	The various determined aspects of risk managements and minimization are reviewed periodically and the Board is kept informed on important issues.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Not applicable at present
(E) Remuneration of Directors	49 (IV E)	The details of remuneration paid to Directors are disclosed in the Annual Report under the Head 'Report on Corporate Governance'
(F) Management	49 (IV F)	The Management Discussion and Analysis Report forms part of Annual Report. Senior Management executives make disclosures to the Board relating to financial and commercial transactions, if any, which may have a potential conflict with the interest of the Company.
(G) Shareholders	49 (IV G)	The details have been disclosed under the head 'Report on Corporate Governance' in the Annual Report.
<b>V. CEO/CFO Certification</b>	49 (V)	These certifications are given to the Board and the same is disclosed in the Annual Report.
<b>VI. Report on Corporate Governance</b>	49 (VI)	Report on Corporate Governance forms part of the Annual Report of the Company
<b>VII. Compliance</b>	49 (VII)	Auditors Certificate with respect to compliance of the conditions of Corporate Governance is annexed to the Directors Report and sent to the shareholders annually as a part of Annual Report. The details of non- mandatory requirements which have been implemented are also given in the Annual Report.