

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE
For The Quarter Ended 31st December, 2012

Name of the Company : **SHARDA MOTOR INDUSTRIES LTD.**

Quarter ending on : **31st December, 2012**

Particulars	Clause of Listing Agreement	Compliance status (Yes/No)	Remarks
1	2	3	4
I. Board of Directors	49 (I)	YES	Complied with
(A) Composition of Board	49 (I A)	YES	Composition of the Company's Board remained in accordance of Clause 49(IA) during the quarter under review.*
(B) Non-Executive Directors' compensation & disclosures	49 (I B)	YES	All fees/compensation is being given as per Clause 49 (I B). The Company has not issued any stock options during the quarter under review.
(C) Other provisions as to Board and Committees	49 (I C)	YES	Complied with.
(D) Code of Conduct	49 (I D)	YES	Complied with.
II. Audit Committee	49 (II)	YES	
(A) Qualified and Independent Audit Committee	49 (II A)	YES	Composition of the Audit Committee remained in accordance of Clause 49(II A) during the quarter under review.*
(B) Meeting of Audit Committee	49 (II B)	YES	One Committee Meeting has been held during the quarter under report.
(C) Powers of Audit Committee	49 (II C)	YES	The Audit Committee is exercising its powers in accordance of the Clause 49 (II C).
(D) Role of Audit Committee	49 (IID)	YES	The Audit Committee is functioning strictly as per Clause 49 (II D).
(E) Review of Information by Audit Committee	49 (IIE)	YES	The requisite information is being reviewed regularly by the Audit Committee.
III. Subsidiary Companies	49 (III)	YES	No Subsidiary Company as per the definition under Clause 49(III)
IV. Disclosures	49 (IV)	YES	
(A) Basis of related party transactions	49 (IV A)	YES	All Related Parties Transactions are being placed regularly before the audit committee meetings and are being disclosed regularly in the Annual Report of the Company.
(B) Disclosure of Accounting Treatment	49 (IV B)	YES	The Company is complying with all accounting standards which are presently applicable to the Company in the preparation of annual statements.

(C) Board Disclosures	49 (IV C)	YES	The Company has set procedures to inform the Board Members.
(D) Proceeds from Public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.	The Company has not made any public issue, right issue, preferential issue etc, during the quarter under review.
(E) Remuneration of Directors	49 (IV E)	YES	Complied with.
(F) Management	49 (IV F)	YES	Management Discussion and Analysis Report forms part of the Annual Report of the Company for the year 2011-12 containing all the information required by Clause 49 (IV F).
(G) Shareholders	49 (IV G)	YES	<ol style="list-style-type: none"> 1. Required information about the Directors appointed or re-appointed is properly disclosed in the Annual Report of the Company for the year 2011-12. 2. Quarterly results are being submitted to the stock exchange by way of hard copy, soft copy and also newspaper cutting of the published results. 3. M/s. Alankit Assignments Ltd., Registrar & Share Transfer Agent of the Company, is handling share registry work for shares with the approval of Share Transfer Committee of the Company consisting of Directors of the Company, which meets 1st and 15th day of each month for transfer and / or other purposes.
V. CEO / CFO Certification	49 (V)	YES	Complied with.
VI. Report on Corporate Governance	49 (VI)	YES	<ol style="list-style-type: none"> 1. Report on Corporate Governance has been given in the Annual Report of the Company for the year 2011-12. 2. Quarterly compliance report on Corporate Governance is being submitted to the stock exchange regularly within the prescribed time limit.
VII. Compliance	49 (VII)	YES	This is being followed strictly by the Company. A Certificate of the Statutory Auditors regarding compliance of conditions of corporate governance for the year 2011-12, has been furnished with the Annual Report to the shareholders.

*** Shri G. L. Tandon Chairman of Audit committee passed away during the last quarter under review.**