



# Sharda Motor Industries Ltd.

## QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE For The Quarter Ended 30<sup>th</sup> September, 2013

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

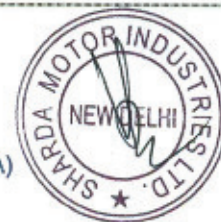
Quarter ending on : **30<sup>th</sup> September, 2013**

| Particulars                                             | Clause of Listing Agreement | Compliance status (Yes/No) | Remarks                                                                                                                                                                |
|---------------------------------------------------------|-----------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                                       | 2                           | 3                          | 4                                                                                                                                                                      |
| <b>I. Board of Directors</b>                            | 49 (I)                      | YES                        | Complied with                                                                                                                                                          |
| (A) Composition of Board                                | 49 (I A)                    | YES                        | Composition of the Company's Board remained in accordance with Clause 49(I A) 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.                                                                                                                                                         |
| <b>II. Audit Committee</b>                              | 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 (II D)                   | YES                        | The Audit Committee is functioning strictly as per Clause 49 (II D).                                                                                                   |
| (E) Review of Information by Audit Committee            | 49 (II E)                   | YES                        | The requisite information is being reviewed regularly by the Audit Committee.                                                                                          |
| <b>III. Subsidiary Companies</b>                        | 49 (III)                    | YES                        | None                                                                                                                                                                   |
| <b>IV. Disclosures</b>                                  | 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.                                                                                                            |

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|--------------------------------------------------------------------------|-----------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (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 2012-13 containing all the information required by Clause 49 (IV F).                                                                                                                                                                                                                                                                   |
| (G) Shareholders                                                         | 49 (IV G) | YES  | <ol style="list-style-type: none"><li>1. Required information about the Directors appointed or re-appointed is properly disclosed in the Annual Report of the Company for the year 2012-13. There are no new appointments on the Board during the quarter under review.</li><li>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.</li></ol> |
| V. CEO / CFO Certification                                               | 49 (V)    | YES  | Complied with.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| VI. Report on Corporate Governance                                       | 49 (VI)   | YES  | <ol style="list-style-type: none"><li>1. Report on Corporate Governance has been given in the Annual Report of the Company for the year 2012-13.</li><li>2. Quarterly compliance report on Corporate Governance is being submitted to the stock exchange regularly within the prescribed time limit.</li></ol>                                                                                                                               |
| 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 2012-13, has been furnished with the Annual Report to the shareholders.                                                                                                                                                                                                      |

For **SHARDA MOTOR INDUSTRIES LTD.**



**NITIN VISHNOI**

Company Secretary & Compliance Officer

Date: 10/10/2013

Place: New Delhi

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