

# SAKTHI FINANCE

AN EDIFICE BUILT ON TRUST

## BOARD OF DIRECTORS

Dr. M. Manickam *Chairman*  
Sri. M. Balasubramaniam  
*Vice Chairman and Managing Director*  
Sri. A. Shanmugasundaram  
Sri. M. Srinivaasan  
Sri. P.S. Gopalakrishnan  
Dr. A. Selvakumar  
Sri. S. Ragothaman

## SENIOR MANAGEMENT

Sri. M.K. Vijayaraghavan *Sr.President (Finance)*  
Dr. S. Veluswamy *Sr.President (Operations)*  
Sri. K. Guruprasad *Vice President*  
Dr. K. Natesan *Vice President*  
Sri. G. Muniasamy *Sr.General Manager*  
Sri. N. Raveendran *Sr.General Manager*  
Sri. N. Radhakrishnan *General Manager*  
Dr. G. Sundar *General Manager*  
Smt. R. Geetha *General Manager*

## COMPANY SECRETARY

Sri. S. Venkatesh

## REGISTERED OFFICE

### SAKTHI FINANCE LIMITED

62, Dr. Nanjappa Road  
Coimbatore - 641 018  
Phone : (0422) 2231471 - 74, 4236200  
Fax : (0422) 2231915  
E-mail : sakthif\_info@sakthifinance.com  
Website : www.sakthifinance.com

## REGISTRARS AND SHARE TRANSFER AGENTS

### SKDC CONSULTANTS LIMITED

"Kanapathy Towers", Third Floor  
1391/A-1, Sathy Road, Ganapathy  
Coimbatore - 641 006  
Phone : (0422) 6549995, 2539835-836  
Fax : (0422) 2539837  
E-mail : info@skdc-consultants.com

## BANKERS

State Bank of India  
Bank of India  
Indian Overseas Bank  
Central Bank of India  
State Bank of Travancore  
The Lakshmi Vilas Bank Ltd  
The Karnataka Bank Ltd  
Canara Bank

## FINANCIAL INSTITUTIONS

Small Industries Development  
Bank of India

## AUDITORS

M/s. P.N. Raghavendra Rao & Co  
Chartered Accountants  
No. 23/2, Viswa Paradise Apartments  
Second Floor, Kalidas Road  
Ramnagar, Coimbatore - 641 009

## INTERNAL AUDITOR

Sri B. Muralidharan FCA  
Chartered Accountant  
226, T.V. Samy Road (East)  
R.S. Puram, Coimbatore - 641 002

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## NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of the members of the Company will be held on Thursday, 26th September 2013 at 4.30 p.m at Smt. Padmavathi Ammal Cultural Centre, 1548, Avanashi Road, Peelamedu, Coimbatore - 641 004 to transact the following business.

You are requested to make it convenient to attend the meeting.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors.
2. To confirm the Interim Dividend declared by the Board of Directors on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a director in place of Dr A Selvakumar who retires by rotation and is eligible for reappointment.
5. To appoint a director in place of Sri P S Gopalakrishnan who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and to fix their remuneration. M/s P N Raghavendra Rao & Co, Chartered Accountants, Coimbatore retire and are eligible for reappointment.

### NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. As required under Clause 49(IV)(G) of the Listing Agreement, the relevant details of directors seeking reappointment under Item Nos.4 and 5 is annexed.
3. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m and 1.00 p.m up to the date of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the company will remain closed from Thursday, 19th September 2013 to Thursday, 26th September 2013, both days inclusive.
5. The equity dividend, if declared at the Annual General Meeting, will be paid after 2nd October 2013 to the under-mentioned persons or their mandatees:
  - a. in respect of shares held in electronic form, whose names appear as Beneficial Owners as at the close of the business hours on Wednesday, 18th September 2013 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
  - b. in respect of shares held in physical form, whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrars and Share Transfer Agents on or before Thursday, 19th September 2013.
6. a. As per Section 205A of the Companies Act 1956, all unclaimed dividends up to the financial year ended 31st March 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for the said years are requested to forward their claims to Registrar of Companies, Stock Exchange Building, Second Floor, 683 - 686, Trichy Road, Singanallur, Coimbatore - 641 005 in Form No.II prescribed under The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978.
  - b. As per Section 205A(5) of the Companies Act 1956, the Company has transferred all unclaimed dividends for the financial years ended 31st March 1995 to 1997 which remained unclaimed for a period of seven years to the Investor Education and Protection Fund.Members are informed that no claims shall lie against the fund or the company in respect of individual amounts which were unclaimed or unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of each such claim.

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- c. The following unclaimed dividends will be transferred to the Investor Education and Protection Fund (IEPF) as detailed below:

Financial year ended	Tentative Month and year for Transfer to IEPF
<b>2007 - 08</b> : Interim Dividend on Equity Shares	18th March 2014
<b>2010 - 11</b> : Dividend on Equity Shares	28th October 2018
<b>2011 - 12</b> : Dividend on Equity Shares	28th October 2019

Members who have not encashed their dividend warrants for the above years are requested to claim the warrants before the above transfers.

The details of unclaimed dividends for the financial years 2007-08 and 2010-11 are available on the company's website at **www.sakthifinance.com**.

7. Shareholders are requested to provide Bank Account details such as Account No., IFS Code and name of the bank and branch to facilitate electronic transfer of dividend amount. The details may please be provided well in time in the form given on **Page No. 49** of this Annual Report.
8. Members holding shares in electronic form are informed that Bank particulars registered against their respective depository account will be used by the company for payment of dividend. The Company or its Registrars can not act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members.
9. Members holding shares:
  - a. in physical form are requested to:
    - i) intimate to the Company's Registrars and Share Transfer Agents, SKDC Consultants Limited, "Kanapathy Towers", Third Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006, changes, if any, in their registered address at an early date.
    - ii) consolidate their holdings into a single folio in case they hold shares under multiple folios in the identical order of name.
  - b. in electronic form are requested to intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date.
10. Members are requested to quote their Folio Number / DP ID / Client ID in all their correspondences.

Registered Office  
62, Dr. Nanjappa Road  
Coimbatore - 641 018  
29th May 2013

By Order of the Board  
S Venkatesh  
Company Secretary

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government:

- a. members holding shares in electronic form are requested to register their e-mail addresses in respect of their holdings through their Depository Participants concerned.
- b. members who hold shares in physical form are requested to fill in and forward the E-mail Address Registration Form given in Page No.51 of this Annual Report to SKDC Consultants Limited, Registrars and Share Transfer Agents, "Kanapathy Towers", Third Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.

**DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE 56TH ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT**
**Item Nos. 4 and 5**

<b>Name of the Director</b>	<b>Dr A Selvakumar</b>	<b>P S Gopalakrishnan</b>
Director Identification Number (DIN)	01099806	00001446
Date of birth and age	30th April 1955, 58 years	23rd August 1935, 78 years
Date of appointment on the Board	30th March 2001	20th November 2004
Qualifications	M.E., Ph.D.	B.Com., LLB, AIB (London)
Expertise in specific functional areas	He holds a Doctorate in Engineering from Canada. He was working as a Project In-charge at Naval Engineering Test Establishment in Canada. He has immense knowledge and experience in systems applications. At present he is leading a software company	Has got rich experience in heading banks and financial institutions
Directorships held in other public companies	Sri Chamundeswari Sugars Limited Sri Sakthi Textiles Limited	Dharani Sugars and Chemicals Limited Kothari Sugars and Chemicals Limited Shriram General Insurance Company Limited
Memberships / Chairmanships of Committee across public companies	<b>Audit Committee: Chairman:</b> Sakthi Finance Limited <b>Member:</b> Sri Chamundeswari Sugars Limited <b>Nomination and Remuneration Committee and Shareholders' and Investors' Grievance Committee:</b> <b>Member:</b> Sakthi Finance Limited	<b>Audit Committee: Chairman:</b> Kothari Sugars and Chemicals Ltd <b>Member:</b> Dharani Sugars and Chemicals Limited <b>Nomination and Remuneration Committee:</b> <b>Chairman:</b> Kothari Sugars and Chemicals Limited Sakthi Finance Limited <b>Member:</b> Dharani Sugars and Chemicals Limited
No. of equity shares held	Nil	Nil
Relationship with other directors	None	None

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### DIRECTORS' REPORT

#### To the Members

Your Directors are pleased to present their Fifty Sixth Annual Report together with the audited accounts of the company for the financial year ended 31st March 2013.

#### FINANCIAL PERFORMANCE

(₹ lakhs)

Particulars	2012-13	2011-12
<b>Profit before tax</b>	<b>2133.04</b>	1717.05
Less: Provision for:		
- Current Tax	<b>691.66</b>	451.26
- MAT credit (Entitlement) / Utilization	<b>31.13</b>	-
- Deferred tax	<b>(4.61)</b>	105.38
Net Provision for Income Tax (earlier years)	<b>15.01</b>	(1.29)
<b>Net Profit after tax</b>	<b>1399.85</b>	1161.70
Add : Surplus brought forward from previous year	<b>711.95</b>	363.92
<b>Amount available for appropriation</b>	<b>2111.80</b>	1525.62
<b>Appropriations</b>		
Transfer to Statutory Reserve	<b>279.97</b>	232.34
Interim Dividend on Preference Shares	<b>94.93</b>	0.19
Tax on Interim Dividend on Preference Shares	<b>15.40</b>	0.03
Proposed Dividend on Equity Shares	<b>500.00</b>	500.00
Tax on Proposed Equity Dividend	<b>84.98</b>	81.11
Surplus carried to balance sheet	<b>1136.52</b>	711.95
<b>Total</b>	<b>2111.80</b>	1525.62

#### BUSINESS

During the year, the company disbursed ₹ 47,038 lakhs in hire purchase business as against ₹ 42,133 lakhs during the previous financial year. The collection efficiency continues to be at its best. Your directors are hopeful of better business volumes and profitability in the coming years.

#### RESERVES AND SURPLUS

As required under Section 45IC of the Reserve Bank of India Act 1934, the Company has transferred 20% of the net profit after tax to Statutory Reserve.

#### DIVIDEND

##### a. Preference Shares

The Board of Directors have, at their meeting held on 30th March 2013, declared an interim dividend of ₹10 per share (10% per share, including *pro rata*) on 10% Redeemable Cumulative Preference Shares of ₹100 each for the financial year ending 31st March 2013. The preference dividend involved a cash outflow of ₹ 110.33 lakhs including dividend distribution tax.

Your Directors have confirmed that the interim dividend paid on Redeemable Cumulative Preference Shares for the financial year ended 31st March 2013 be treated as final dividend.

##### b. Equity Shares

Your Directors are pleased to recommend a dividend of ₹ 1 per equity share (10% on the face value of equity share of ₹ 10 each) for the year ended 31st March 2013. Further, the equity dividend, which is subject to the approval of members at the forthcoming annual general meeting, would involve a cash outflow of ₹ 584.98 lakhs including dividend distribution tax.

## SAKTHI FINANCE LIMITED

### **ISSUE OF PREFERENCE SHARES**

The Allotment Committee of Directors at their various Meetings held during the financial year 2012-13 have allotted 3,09,700 10% Redeemable Cumulative Preference Shares of ₹100 each on private placement basis aggregating to ₹309.70 lakhs. As on 31st March 2013, the company has a paid up preference share capital of 10,00,000 10% Redeemable Cumulative Preference Shares of ₹100 each aggregating to ₹1000 lakhs.

### **DEPOSITS**

The total deposits with the company as at 31st March 2013 stood at **₹ 5477 lakhs** as against ₹2,773 lakhs for the corresponding previous year.

As at the end of the financial year, 634 public deposits amounting to ₹248 lakhs were due for repayment but remained to be claimed or renewed. The Company has been reminding the depositors regularly about the maturity and out of the said deposits, 106 deposits amounting to ₹75 lakhs have since been claimed and repaid / renewed as per their instructions.

### **DIRECTORS**

The following directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

1. Dr A Selvakumar
2. Sri P S Gopalakrishnan

The profiles of Directors, as required under Clause 49(IV)(G) of the Listing Agreement are given in the Annexure to the Notice of the 56th Annual General Meeting.

### **AUDIT COMMITTEE**

The Audit Committee has been functioning with the following three non-executive directors of which two are Independent Directors.

1. Dr A Selvakumar, Chairman
2. Sri A Shanmugasundaram, Member
3. Sri M Srinivaasan, Member

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis forms part of this report.

### **CORPORATE GOVERNANCE REPORT**

As required under Clause 49 of the Listing Agreement, a report on Corporate Governance and a certificate from the auditors of the company regarding compliance of the conditions of Corporate Governance as stipulated under the listing agreement form part of the Annual Report.

### **PARTICULARS REQUIRED UNDER SECTION 217 OF THE COMPANIES ACT 1956**

As required under Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988:

- a. The Company has no activity involving conservation of energy or technology absorption;
- b. The Company does not have any Foreign Exchange Earnings; and
- c. Foreign Exchange Outgo : ₹61.58 lakhs

The company has no employee drawing remuneration more than the limits prescribed under Section 217(2A) of the Companies Act 1956.

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### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act 1956, your directors confirm, to the best of their knowledge and belief, that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made from it;
- b. the Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the financial year;
- c. the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d. the annual accounts of the Company has been prepared on a going concern basis.

### AUDITORS

M/s P N Raghavendra Rao & Co (ICAI Reg.No:003328S), Chartered Accountants, Coimbatore retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The company has obtained a confirmation from the auditors that their reappointment, if made, at the forthcoming annual general meeting would be within the limits specified under Section 224 (1B) of the Companies Act 1956.

Members are requested to appoint M/s P N Raghavendra Rao & Co, as Statutory Auditors of the company and to fix their remuneration for the financial year 2013-14.

### ACKNOWLEDGEMENT

Your Directors wish to place on record the valuable assistance and excellent co-operation extended by the members, banks, financial institutions and government authorities. Your Directors wish to convey their sincere thanks to the depositors and debenture holders of the company for their continued patronage. They also wish to appreciate the excellent services rendered by the employees of the company.

We pray the Goddess **SAKTHI** to continue to shower Her blessings and to guide us in all our endeavours.

For and on behalf of the Board

Coimbatore  
29th May 2013

**M Manickam**  
Chairman

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Economy Overview**

The Indian Economy is currently going through a challenging phase as GDP growth, at around 5%, slowed down to nearly a decade low in 2012-13. External and domestic factors have played a part in this downfall. The positive aspects such as Inflation coming down and decent recovery of stock market have been obscured by the overwhelming impact of depletion in investment levels, high level of deficit in current account and depreciation of Rupee.

Notwithstanding the weak economy, flow of resources to the commercial sector was maintained through increased liquidity pursuant to cumulative reduction in Cash Reserve Ratio (CRR) by 75 basis points and in Statutory Liquidity Ratio (SLR) by 100 basis points besides through Open Market Operations by RBI. These measures, though not adequate, lent support to sustain the economic activity and GDP.

Measures taken to reduce fiscal deficit in the form of reduction in subsidies in oil and fertilizers are likely to take some more time to facilitate achievement of desired objective. These measures continued in a sustained manner coupled with certain other reforms to take care of the macro economic imbalances additionally supported by normal monsoon will determine the pace of recovery. Though the long-term prospects of the economy look promising, we can only be cautiously optimistic in the short to medium term.

### **BALANCE OF PAYMENT POSITION**

With foreign trade from India taking place to almost all the countries in the world, any uncertainty or weak economic situation in any other part of the world tends to adversely affect the Indian economy more than ever before. Reduced import demand from emerging markets along with advanced countries also contributes to trade imbalance resulting in India's increased Current Account Deficit (CAD) which was at 6.7% of GDP around December 2012. Developments in the domestic tax regime also had a negative impact on foreign investment inflows through Institutional and direct route.

Recent announcement of export promotion schemes like interest subvention, broadening scope of Focus Market Scheme and Focus Product Scheme are likely to prop up export earnings provided global economic activity also picks up. Proposals introduced for simplified investment process may also prop up foreign investment flows. These measures are expected to arrest the rise in CAD.

### **OPPORTUNITIES**

During the year 2012-13, reflecting economic slow-down, there was steep drop in sales of Medium and Heavy Commercial Vehicles (M&HCV) by as much as 23%, i.e. from 3.49 lakh units in 2011-12 to 2.68 lakh units in 2012-13. The fall in sales of new vehicles naturally favourably impacts the demand for pre-owned commercial vehicles. Also the expected normal monsoon in the current year is likely to increase the movement of agricultural products and that of agro based industries.

### **THREATS**

Ever increasing rise in price of fuel, maintenance costs and food inflation pose a great challenge to vehicle operators in the matter of conserving resources. Further, the restrictions imposed on mining on account of environmental counts may reduce the earning potential for the transport operators engaged in this segment.

The proposed regulatory changes from RBI pursuant to Usha Thorat Committee recommendations without adequate tax advantage akin to banks may adversely impact the operations of NBFCs.

### **BUSINESS OUTLOOK**

The outlook for the economy is not bright as the economic recovery is likely to be slow. The agricultural sector is likely to perform creditably well for the current year. With the near normal monsoon in the forthcoming season, the output of food and other cash crops are expected to exceed the target. Hence the growth in agricultural sector coupled with growth in services sector will aid the growth of GDP.

The business outlook of NBFC sector will be promising as Road Transport Sector to which NBFC's like our company caters to will play an increased role in helping agricultural and other sectors.

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### PERFORMANCE AND FINANCIAL REVIEW

During the year 2012-13, the company's disbursements crossed ₹450 crores mark. The total disbursements for the year is **₹47,038 lakhs** in hire purchase finance business as against ₹42,133 lakhs in the corresponding previous financial year. As on 31st March 2013, the total deposits with the company stood at **₹5477 lakhs**.

The gross income for the year 2012-13 was **₹12,872 lakhs** and the net profit after tax for the year was at **₹1400 lakhs**. The company has charged a depreciation and amortisation of **₹287 lakhs** in the statement of profit and loss.

### RISKS AND CONCERNS

Our Company is exposed to normal industry risks such as credit, market, interest and operational risks. These risks are mitigated by adopting prudent business and risk management policies. The risk management policies are periodically reviewed by the Audit Committee and Risk Management Committee so as to be in line with our Company's business needs.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Our Company has a sound and adequate system of internal controls to monitor and regulate all the activities. The Company complies with internal control policies and procedures and other regulatory requirements.

### HUMAN RESOURCES DEVELOPMENT

In 2012-13, our Company maintained very harmonious and cordial relationship with its employees. As on 31st March 2013, there were 381 employees. Our Company's human resources philosophy is to establish and build a strong performance and competency-driven culture with higher sense of accountability and responsibility among its employees. Our Company has taken necessary steps to strengthen the organizational competency through training programmes at various levels and installing effective system.

In order to secure highest competency of the Marketing Officers even at the entry level, your company continues to be associated with Kumaraguru College of Technology for establishment of Sakthi Excellence Academy through which fresh graduates are being imparted exclusive training so as to make them ready to fit in at the Marketing Officer's level. These candidates are being given training in all facets of business procurements, including appraisal, legal, regulatory requirements and financial matters. With the induction of such trained candidates, the Company expects to achieve greater heights with quality assets.

Coimbatore  
29th May 2013

For and on behalf of the Board  
**M Manickam**  
Chairman

### Cautionary Statement

*Certain statements made in the Management Discussion and Analysis Report describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from forward-looking statements contained in this report due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, change in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these documents.*

**CORPORATE GOVERNANCE REPORT**

(Pursuant to Clause 49 of the Listing Agreement)

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy on corporate governance continues to aim at high levels of transparency, accountability and equity in all areas of its operations and its dealing with members, employees, customers, lenders, regulatory and government agencies so as to enhance the shareholder value in all possible way.

**2. BOARD OF DIRECTORS****a. Composition and size of the Board**

The Board of Directors consist of seven members. The Board has a Non-Executive Chairman, a Vice Chairman and Managing Director and five Non-Executive Directors of which four are Independent Directors, who bring in a wide range of skills and experience to the Board. The number of independent directors is more than 50% of the total number of Directors on the Board.

The Board of Directors and its Committees meet at periodic intervals. Policy formulation, setting up of goals and evaluation of performance and control function vest with the Board. The Board has constituted five Committees, namely, Audit Committee, Nomination and Remuneration Committee, Shareholders' / Investors' Grievance Committee, Asset Liability Management Committee and Risk Management Committee.

The necessary disclosures regarding committee positions have been made by the Directors. None of the Directors on the Company's Board is a member of more than ten (10) Committees and Chairman of more than five (5) Committees across all Companies in which they are Directors.

**b. Number of Board Meetings held during the year**

During the financial year, five Board Meetings were held on 29th May 2012, 6th August 2012, 8th November 2012, 11th February 2013 and 30th March 2013. The gap between two meetings is within four months. The information as required under Annexure - IA to Clause 49 of the Listing Agreement is being made available to the Board for discussion and consideration at Board Meetings. The Board has also taken on record the certificates given by the senior management personnel regarding compliance with the applicable laws on quarterly basis.

**c. Code of Conduct**

The Board of Directors have adopted a Code of Conduct and Ethics ("the Code") to ensure compliance with the legal requirements and standards of business conduct. The purpose of the Code is to deter wrong doing and promote ethical conduct.

The Code applies to all Directors and members of Senior Management of the company. All Board Members and Senior Management personnel of the company have affirmed compliance with the Code. A declaration to this effect, signed by Vice Chairman and Managing Director is annexed. The Code has been hosted on the website of the company.

**d. Attendance and other Directorships**

The composition of the Board of Directors, category, relationship with other Board Members, attendance at Board Meetings held during the financial year and at the last Annual General Meeting, number of other directorships and committee Chairmanship / Membership held are given below: