



AN EDIFICE BUILT ON TRUST

58th ANNUAL
REPORT | 2015

SAKTHI FINANCE

AN EDIFICE BUILT ON TRUST

BOARD OF DIRECTORS

Dr. M. Manickam *Chairman*
Sri. M. Balasubramaniam
Vice Chairman and Managing Director
Sri. M. Srinivaasan
Sri. A. Shanmugasundaram
Dr. A. Selvakumar
Sri. P.S. Gopalakrishnan
Smt. Priya Bhansali
Sri. K.P. Ramakrishnan

CHIEF FINANCIAL OFFICER

Dr. S. Veluswamy

COMPANY SECRETARY

Sri. S. Venkatesh

REGISTERED OFFICE

SAKTHI FINANCE LIMITED

CIN : L65910TZ1955PLC000145
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 INSTITUTION

The Tamilnadu Industrial Investment
Corporation Limited

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

DEBENTURE TRUSTEE

GDA Trusteeship Limited
GDA House, First Floor, Plot No. 85
S.No. 94 & 95S, Bhusari Colony (Right)
Kothrud, Pune - 411 038
Tel : (020) 25280081
Fax : (020) 25280275
E-mail : dt@gdatrustee.com

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SAKTHI FINANCE LIMITED

BOARD'S REPORT

To the Members

Your Directors are pleased to present their 58th Annual Report together with the audited accounts of the company for the financial year ended 31st March 2015.

FINANCIAL PERFORMANCE

(₹ lakhs)

Particulars	2014-15	2013-14
Profit before tax	2128.96	2278.66
Less: Provision for Taxation		
- Current Tax	806.18	780.17
- Deferred tax	(259.09)	82.76
- Net Provision for tax (earlier years)	(2.77)	-
Profit after tax	1584.64	1415.73
Surplus brought forward from last year	1567.12	1136.52
Amount available for appropriation	3151.76	2552.25
Appropriations		
Transfer to Statutory Reserve	316.93	283.15
Dividend on Preference Shares	100.76	100.00
Tax on preference Dividend	20.15	17.00
Proposed Dividend on Equity Shares	500.00	500.00
Tax on Proposed Equity Dividend	101.81	84.98
Balance carried over to Balance Sheet	2112.11	1567.12
Total	3151.76	2552.25

BUSINESS

During the year, the company disbursed ₹ 50266 lakh in hire purchase operations as against ₹ 48629 lakh during the previous financial year. The collection efficiency continues to be very good. Your directors are hopeful of better business volumes and profitability in the years to come.

There is no change in the Company's nature of business.

DIVIDEND

Preference Shares

The Board of Directors have, at their meeting held on 31st March 2015, declared an interim dividend of 10% (₹10 per share) on 10% Redeemable Cumulative Preference Shares of ₹100 each for the financial year ending 31st March 2015 amounting to ₹ 100 lakh.

Further, the Board of Directors at their meeting held on 30th May 2015 recommended a *pro rata* dividend @ 10% on the 10% Redeemable Cumulative Preference Shares (new) allotted during the year (₹0.14 on 4,29,550 Preference shares and ₹0.05 on 3,18,000 preference shares) amounting to ₹0.76 lakh.

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 2015.

ISSUE OF PREFERENCE SHARES (NEW)

During the current year, 7,47,550 10% Redeemable Cumulative Preference Shares of ₹100 each have been issued on private placement basis aggregating to ₹ 747.55 lakh. Further 6,90,300 10% Redeemable Cumulative Preference Shares of ₹100 each which were issued on private placement basis on 31st March 2012 aggregating to ₹690.30 lakh has been redeemed out of the proceeds of the fresh issue of preference shares.

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As at 31st March 2015, the company has a paid-up preference capital of 10,57,250 10% Redeemable Cumulative Preference Shares of ₹100 each aggregating to ₹1057.25 lakh.

DEPOSITS

The total deposits with the company as at 31st March 2015 stood at ₹16513 lakh as against ₹12880 lakh for the corresponding previous year.

As at the end of the financial year, 923 public deposits amounting to ₹467.24 lakh were due for repayment but remained unclaimed. The Company has been reminding the depositors regularly about the maturity and out of the said deposits, 428 deposits amounting to ₹256.08 lakhs have since been claimed and repaid / renewed as per their instructions.

PUBLIC ISSUE OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES FOR ₹ 100 CRORE

During the year, the Company made a public issue of Secured, Redeemable, Non-Convertible Debentures (NCDs) of ₹100 each aggregating to ₹100 crore. The NCD issue opened on 27th February 2015 and closed on 19th March 2015. The Company made allotment of 1,00,00,000 NCDs to the applicants on 1st April 2015. The NCDs have been listed and admitted for trading on BSE Limited with effect from 7th April 2015.

VOLUNTARY DELISTING FROM MADRAS STOCK EXCHANGE LIMITED

At present, our company's equity shares are listed on BSE Limited.

Madras Stock Exchange Limited (MSE) by its letter dated 12th June 2014 informed that SEBI had proposed to issue order for the de-recognition of MSE as MSE failed to achieve the prescribed trading turnover of Rs.1000 crore on a continuous basis at any time for the past two years. In view of this, MSE requested all Companies whose equity shares are listed on its exchange, to delist the equity shares from MSE.

In view of the above, the Board of Directors at their meeting held on 9th August 2014 approved the proposal for voluntary delisting of its equity shares from MSE, by complying with SEBI (Delisting of Equity Shares) Regulations 2009.

On our application, the MSE approved to remove the name of the company from the list of Listed Securities of the MSE with effect from 5th December 2014. The equity shares of the Company will continue to be listed on BSE.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Dr.N.Mahalingam, Promoter of the Company passed away on 2nd October 2014. He was the Chairman of the Company for more than 3 decades. His advice and guidance immensely benefitted the company in its growth and adherences to good corporate practices. His overall contribution is immeasurable to the group as a whole and our company in particular. We pledge to follow his high standards in conduct of the business and in all activities.
2. Sri S Ragothaman, Independent Director resigned from the Board with effect from 14th January 2015. The Board wish to place on record the very valuable contributions made by him during his tenure of office.

3. Retiring by rotation

In accordance with the provisions of Section 152(6), Sri M Srinivaasan (DIN: 00102387) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for reappointment. The Board recommends his reappointment.

4. Appointment

Smt. Priya Bhansali (DIN:00195848) has been appointed as an Additional Director (Non-executive Independent Director) under Section 161 of the Companies Act 2013 with effect from 31st March 2015.

Similarly, Sri K P Ramakrishnan (DIN:07029959) has been appointed as an Additional Director (Non-executive Independent Director) under Section 161 of the Companies Act 2013 with effect from 30th May 2015.

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As Additional Directors, they hold office up to the date of the ensuing Annual General Meeting. The Company has received notices as per Section 160(1) of the Companies Act 2013 from members proposing their appointment as Independent Directors for a period of 5 years commencing from the conclusion of the forthcoming Annual General Meeting. The Board recommends their appointment as Independent Directors.

5. Reappointment of Sri M Balasubramaniam as Managing Director

The present term of office of Sri M Balasubramaniam, Managing Director is valid up to 28th September 2015. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 7th August 2015, approved his reappointment for a further period of 5 years with effect from 29th September 2015. A resolution relating to his reappointment is placed before the members for their approval at the ensuing Annual General Meeting.

The profiles of the Director's retiring by rotation, Additional Directors and the Managing Director, as required under Clause 49 of the Listing Agreement entered into with Stock Exchange, is given in the Annexure to the Notice of the 58th Annual General Meeting.

6. Changes in Key Managerial Personnel

Sri M K Vijayaraghavan, Chief Financial Officer (CFO) of the Company resigned with effect from 30th September 2014. The Board placed on record its appreciation for the valuable services rendered by him during his tenure as CFO.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Dr S Veluswamy, Senior President (Operations) as CFO of the Company with effect from 1st October 2014.

Pursuant to Section 203 of the Companies Act 2013, Sri M Balasubramaniam, Managing Director, Dr S Veluswamy, Chief Financial Officer and Sri S Venkatesh, Company Secretary were appointed as Key Managerial Personnel (KMP) of the Company.

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 Report 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 forms part of the Annual Report. The details of policy on remuneration is given in the Corporate Governance Report.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the rules framed under it.

During the financial year 2014-15, the company has not received any complaint on sexual harassment.

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DISCLOSURES REQUIRED UNDER THE COMPANIES ACT 2013 AND THE LISTING AGREEMENT

The information required to be disclosed under the Companies Act 2013 and the Listing Agreement is set out in the **Annexure-I** and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act 2013, 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 there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments 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. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy of the Company and the details about the initiatives taken by the Company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in **Annexure-II**. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report which forms part of this report.

BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC). The meeting of NRC also reviewed performance of the Managing Director on goals (quantitative and qualitative) set at the beginning of the year in April 2015.

A separate meeting of the Independent Directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole, performance of the non-independent directors and performance of the Board Chairman.

Some of the key criteria for performance evaluation are as follows:

Performance evaluation of Directors:

- Attendance at Board / Committee Meetings
- Contribution at Board / Committee Meetings
- Guidance to management outside of Board / Committee meetings

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Performance evaluation of Board and Committees:

- Degree of fulfilment of key responsibilities
- Board structure and composition
- Establishment of Committee's responsibilities
- Effectiveness of Board processes and information
- Efficacy of communication with external stakeholders

AUDITORS

1. Statutory Auditors

M/s P N Raghavendra Rao & Co (ICAI Reg.No.003328S) were appointed as statutory auditors of the Company at the 57th Annual General Meeting to hold office up to the conclusion of the 60th Annual General Meeting, subject to the annual ratification of the appointment by the members. They have confirmed their eligibility under Section 141 of the Companies Act 2013 and the rules framed under the Act for continuation of their term.

2. Secretarial Auditors

The Company appointed M/s. S Krishnamurthy & Co, Practising Company Secretaries, Chennai to carry out Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year 31st March 2015 is enclosed as **Annexure- III**.

The clarification to the observations in the Secretarial Audit Report is given below:

The Company had gone in for change of accounting software from the earlier software developed in-house, to newly bought-out software. On account of the migration to the new software, the checks and balances with regard to verification of veracity of accounting figures generated with the new software took additional time. This has caused the delay in compilation of the various returns in Form Nos. NBS-1, NBS-2, NBS-3, NBS-6 and ALM being submitted to RBI periodically. The company is making efforts to stabilize the accounting operations under the new software during the current year and expects to submit the aforesaid returns within the time lines prescribed by RBI prospectively.

The Board has appointed M/s. S Krishnamurthy & Co, Practising Company Secretaries, Chennai as the Secretarial Auditors for the financial year 2015-16. Necessary consent has been received from them to act as Secretarial Auditors.

PARTICULARS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT 2013

As required under Section 134(3)(m) of the Companies Act 2013 read with Companies (Accounts) Rules 2014 are given below:

- 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 : ₹ 49.68 lakh

The company has no employee drawing remuneration more than the limits prescribed under Section 197 of the Companies Act 2013.

ACKNOWLEDGEMENT

Your Directors wish to place on record the valuable assistance and excellent co-operation extended by the members, banks, financial institutions, rating agencies, Reserve Bank of India and other regulatory authorities. The Board of 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

7th August 2015
Coimbatore

M Manickam
Chairman

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMIC OVERVIEW

India's Gross Domestic Product (GDP), backed by strong policy reforms and reviving global demand, is steadily moving upwards on its growth trajectory. As per the Central Statistical Organisation (CSO), the Indian economy grew by 7.30 per cent in financial year 2014-15 from 6.90 per cent in the financial year 2013-14. The major contributing factors for the growth of the GDP is services sector with mining and manufacturing also registering growth rates of 3.50 per cent and 5.40 per cent respectively.

The World Bank has predicted that India to be the fastest growing major economy and for the first time with the growth rate of 7.50 per cent during the last quarter of financial year 2014-15, will surpass China. The Finance Minister has also stated that the Indian GDP will grow to 8 per cent and will further grow to 8 to 10 per cent. The monsoon is expected to be better than last year and government investment is set to pick up with the twin deficits (fiscal and current account) and inflation under control.

BALANCE OF PAYMENTS POSITION

The current account deficit (CAD) has narrowed sharply to 0.20 per cent of the GDP in March 2015 quarter from 1.60 per cent in the previous quarter. The Index of Industrial Production (IIP) advanced to 3.36 per cent in April 2015 as compared to 2.53 per cent in March 2015.

The Wholesale Price Index (WPI) continues to fall and it was minus 2.36 per cent for May 2015. However Consumer Price Index (CPI) based inflation marginally rose to 5.01 per cent in May 2015 as against 4.87 per cent in April 2015 but much better as compared to 8.33 per cent in May 2014.

OPPORTUNITIES

The total sales of Commercial Vehicles segment declined by 8.40 per cent in the financial year 2014-15 as against last year. Sales of Medium and Heavy Commercial Vehicles (M&HCVs) grew by 15.90 per cent and that of Light Commercial Vehicles (LCVs) declined by 18.10 per cent. The Commercial Vehicle Industry is showing some signs of recovery, after a two year cycle. The Society of Indian Automobile Manufacturers Association has hoped that the Commercial Vehicle industry will see a moderate growth in 2015-16.

The decline in sales of new vehicles increases the demand for pre-owned commercial vehicles, which is the key segment of the Company. The pre-owned commercial vehicles financing market is put at an estimated size of around ₹1900 billions. As such, there is always increased opportunity to finance for pre-owned commercial vehicles, in which our company is engaged in.

As the current monsoon is expected to be better than last year, it is bound to increase the movement of agricultural commodities by Road which gives increased prospects to goods Transport industry.

THREATS

The maintenance cost, interest cost, food inflation pose a great challenge to vehicle operators in the matter of conserving resources. Further, the continued restrictions imposed on mining on account of environmental counts may reduce the earnings of the transport operators engaged in this segment.

BUSINESS OUTLOOK

The Indian Economy is set to post a growth of 8 per cent by the last quarter of this financial year. With the near normal monsoon, the agricultural sector will perform better than last year. The output of agricultural crops is also expected to be high. As such the growth in agricultural sector coupled with growth in services and manufacturing sector will improve the growth of GDP.

The outlook for NBFC sector will continue to be better as Road Transport Sector, to which NBFCs cater to, will play an increased role in helping agricultural and other sectors.

PERFORMANCE AND FINANCIAL REVIEW

For the financial year 2014-15, the company's Hire Purchase financing disbursements was at ₹50266 lakhs as against ₹48629 lakhs in the corresponding previous financial year. As on 31st March 2015, the total deposits with the company stood at ₹16513 lakh.

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The gross income for the financial year 2014-15 was ₹ 15062 lakhs and the net profit after tax for the year was at ₹ 1585 lakhs. The company provided towards depreciation and amortisation an amount of ₹ 241 lakhs in the statement of profit and loss.

RISKS AND CONCERNS

Our Company is also 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 Risk Management Committee and Audit Committee and so that they are in line with our Company's strategic 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 2014-15, our Company maintained very harmonious and cordial relationship with its employees. As on 31st March 2015, there were 432 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.

To maintain the continuous and steady flow of competent Marketing Officers (MO) at the basic level, your company has entered into an arrangement with Kumaraguru College of Technology (KCT) for establishment of Sakthi Excellency Academy (SEA) 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 necessary training in all aspects of business procurements, including appraisal, legal, regulatory requirements and financial matters. With the availability of talent of such trained candidates, the Company hopes to achieve greater heights with quality assets.

7th August 2015
Coimbatore

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.

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ANNEXURE - I

1. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section 3 of Section 92 of the Companies Act, 2013 (the "Act") is enclosed at **Annexure-IV** in the prescribed form MGT-9 and forms part of this Report.

2. NUMBER OF MEETINGS OF THE BOARD

6 meetings of the Board of Directors of the Company were held during the year. For details of the meetings, please refer to the Corporate Governance Report, which forms part of this Report.

3. INDEPENDENT DIRECTORS' DECLARATION

Sri P S Gopalakrishnan, Dr A Selvakumar, Sri A Shanmugasundaram, Smt Priya Bhansali and Sri K P Ramakrishnan who are Independent Directors, have submitted declarations that each of them meets the criteria of independence as provided in sub-section 6 of Section 149 of the Act and revised Clause 49 of the Listing Agreement. Further, there has been no change in the circumstances which may affect their status as independent directors during the year.

4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act are covered in the Corporate Governance Report which forms part of the Board's Report. Further, informations about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92 (3) of the Act, is enclosed at **Annexure-IV** in the prescribed form MGT-9 and forms part of this Report.

5. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of the Senior Management have confirmed compliance with the code of conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Managing Director and forms part of the Annual Report.

6. INTER SE RELATIONSHIP BETWEEN DIRECTORS

Except Dr M Manickam, Chairman, Sri M Balasubramaniam, Vice Chairman and Managing Director and Sri M Srinivaasan, Director who are related to each other, none of the other Directors is related to each other within the meaning of the term "relative" as per Section 2 (77) of the Act and Clause 49(VIII)(E)(2) of the revised listing agreement.

7. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

There has been no loans, guarantees and investments made under Section 186 of the Act during the financial year 2014-15.

8. TRANSACTIONS WITH RELATED PARTIES

The Company has entered into contracts/arrangements with the related parties in the ordinary course of business and these are on arm's length basis only. Hence, provisions of Section 188(1) of the Act are not applicable.

9. INTERNAL CONTROL

The information about internal controls is set out in the Management Discussion and Analysis Report which is attached and forms part of this Report.

10. RISK MANAGEMENT

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees the Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance established levels. Major risk identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis Report which forms part of the Board's Report.