

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

Name of the Company : **SRI ARUMUGA ENTERPRISE LIMITED**  
 Scrip Code **507918**

Quarter Ending on : **31.12.2011**

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
1	2	3	4
<b>I. Board of Directors</b>	<b>49 (I)</b>		
(A) Composition of Board	49 (1A)	NO	The Company should have 50% of its Board represented by Independent Directors. At present, only one out of four directors is Independent. Will be complied shortly.
(B) Non-executive Directors' compensation & disclosures.	49 (1B)	YES	
(C) Other provisions as to Board and Committees	49 (1C)	YES	
(D) Code of Conduct	49 (1D)	YES	The company has adopted a code of conduct as per SEBI (Prohibition of Insider Trading) Act, 1992.
<b>II. Audit Committee</b>	<b>49 (II)</b>		
(A) Qualified & Independent Audit Committee	49 (IIA)	NO	The Audit Committee consists of one Independent and two non-independent directors. Will be complied shortly.
(B) Meeting of Audit Committee	49 (IIB)	YES	
(C) Powers of Audit Committee	49 (IIC)	YES	
(D) Role of Audit Committee	49 (IID)	YES	
(E) Review of Information by Audit Committee	49 (IIE)	YES	
<b>III. Subsidiary Companies</b>	<b>49 (III)</b>	<b>Yes</b>	
<b>IV. Disclosures</b>	<b>49 (IV)</b>		
(A) Basis of related party transactions	49 (IVA)	YES	will be complied in the next Annual Report
(B) Board Procedures	49 (IVB)	YES	will be complied in the next Annual Report
(C) proceeds from public issues, rights issues, preferential issues etc.	49 (IVC)	NIL	No public/rights/preferential issue during the Quarter
(D) Remuneration of Directors	49 (IVD)	YES	will be complied in the next Annual Report
(E) Management	49 (IVE)	YES	will be complied in the next Annual Report
(F) Shareholders	49 (IVF)	YES	will be complied in the next Annual Report
<b>V. CEO/CFO Certification</b>	<b>49 (V)</b>	<b>YES</b>	will be complied in the next Annual Report
<b>VI. Report on Corporate Governance</b>	<b>49 (VI)</b>	<b>YES</b>	will be complied in the next Annual Report
<b>VII. Compliance</b>	<b>49 (VII)</b>	<b>YES</b>	

For SRI ARUMUGA ENTERPRISE LIMITED



COMPANY SECRETARY