



**COMPLIANCE REPORT ON CORPORATE GOVERNANCE FOR THE  
QUARTER ENDED 31<sup>ST</sup> DECEMBER, 2010**

USA

GERMANY

Particulars	Clause of Listing agreement	Compliance status Yes/No/N.A	Remarks
<b>1. Board of Directors</b>	49 I		
(A) Composition of Board	49 (IA)	NO**	N. A.
(B) Non-executive Directors' compensation & disclosures	49 (IB)	N.A	Complied in the Annual Report for the year 2009 – 2010
(C) Other provisions as to Board and Committees	49 (IC)	YES	N. A.
(D) Code of Conduct	49 (ID)	YES	N. A.
			N. A.
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	N. A.
(B) Meeting of Audit Committee	49 (IIB)	YES	N. A.
(C) Powers of Audit Committee	49 (IIC)	YES	N. A.
(D) Role of Audit Committee	49 (IID)	YES	N. A.
(E) Review of Information by Audit Committee.	49 (IIE)	YES	N. A.
<b>III. Subsidiary companies</b>	49 (III)	YES	Complied in the Annual Report for the year 2009 – 2010
			Complied in the Annual Report for the year 2009 – 2010
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	N.A	Complied in the Annual Report for the year 2009 – 2010
(B) Board of Disclosures	49 (IV B)	YES	N. A.
(C) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV C)	N.A	No Public issues, rights issues, preferential issues etc., during the year.
(D) Remuneration of Directors	49 (IV D)	N.A	Complied in the Annual Report for the year 2009 – 2010
(E) Management	49 (IV E)	N.A	Complied in the Annual Report for the year 2009 – 2010



*V.V. Nagendra*

**V V NAGENDRA,  
Executive Director**

(F) Shareholders	49 (IV F)	N.A	Complied in the Annual Report for the year 2009 – 2010
V. CEO/CFO Certification	49 (V)	N.A	Complied in the Annual Report for the year 2009 – 2010
VI. Report on Corporate Governance	49 (VI)	N.A	Complied in the Annual Report for the year 2009 – 2010
VII. Compliance	49 (VII)	N.A	Complied in the Annual Report for the year 2009 – 2010

\*\* “Mr. Anil Kumar V Epur, Independent Director and Chairman resigned as Chairman as well as the Director of the company with effect from 17<sup>th</sup> December, 2010 due to his personal reasons. The Board of directors in their meeting held on 17<sup>th</sup> December, 2010 accepted the resignation of Mr. Anil Epur as Chairman and Director of the Company. The Board of Directors appointed Promoter Director Dr. Ram Nemani as the Chairman of the Company.

Consequent to the appointment of Dr. Ram Nemani as the Chairman of the company, the composition of the Board does not comply with the requirements of Clause 49 of the listing agreement i.e., Corporate Governance, since half of the Board does not consist of independent directors.

The management is in the process of identifying and appointing independent directors to ensure the compliance with the provisions of Clause 49 of the listing agreement. Further intimation would be given to the exchanges regarding the appointment of independent directors to ensure the compliance with the applicable provisions.”



*V.V. Nagendra*

**V V NAGENDRA,  
Executive Director**