

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

Name of the Company : **CSS TECHNERGY LIMITED**

Quarter ending on : **31<sup>st</sup> March, 2015**

| Particulars  | Clause of Listing agreement | Compliance Status<br>Yes/No/N.A | Remarks |
|--|-----------------------------|---------------------------------|---------|
| <b>II. Board of Directors</b>  | 49 (II)                     | -                               |         |
| (A) Composition of Board   | 49 (IIA)                    | <b>Yes</b>                      |         |
| (B) Independent Directors  | 49 (IIB)                    | <b>Yes</b>                      |         |
| (C) Non-executive Directors' compensation & disclosures                  | 49 (IIC)                    | <b>Yes</b>                      |         |
| (D) Other provisions as to Board and Committees                          | 49 (IID)                    | <b>Yes</b>                      |         |
| (E) Code of Conduct  | 49 (IIE)                    | <b>Yes</b>                      |         |
| (F) Whistle Blower Policy  | 49 (IIF)                    | <b>Yes</b>                      |         |
| <b>III. Audit Committee</b>  | 49 (III)                    | -                               |         |
| (A) Qualified & Independent Audit Committee                              | 49 (IIIA)                   | <b>Yes</b>                      |         |
| (B) Meeting of Audit Committee   | 49 (IIIB)                   | <b>Yes</b>                      |         |
| (C) Powers of Audit Committee  | 49 (IIIC)                   | <b>Yes</b>                      |         |
| (D) Role of Audit Committee  | 49 (IIID)                   | <b>Yes</b>                      |         |
| (E) Review of Information by Audit Committee                             | 49 (IIIE)                   | <b>Yes</b>                      |         |
| <b>IV. Nomination and Remuneration Committee</b>                         | 49 (IV)                     | <b>Yes</b>                      |         |
| <b>V. Subsidiary Companies</b>   | 49 (V)                      | <b>N.A.</b>                     |         |
| <b>VI. Risk Management</b>   | 49 (VI)                     | <b>Yes</b>                      |         |
| <b>VII. Related Party Transactions</b>                                   | 49 (VII)                    | <b>N.A.</b>                     |         |
| <b>VIII. Disclosures</b>   | 49 (VIII)                   |                                 |         |
| (A) Related party transactions   | 49 (VIII A)                 | <b>Yes</b>                      |         |
| (B) Disclosure of accounting treatment                                   | 49 (VIII B)                 | <b>Yes</b>                      |         |
| (C) Remuneration of Directors  | 49 (VIII C)                 | <b>Yes</b>                      |         |
| (D) Management   | 49 (VIII D)                 | <b>Yes</b>                      |         |
| (E) Shareholders   | 49 (VIII E)                 | <b>Yes</b>                      |         |
| (F) Proceeds from public issues, rights issues, preferential issues etc. | 49 (VIII F)                 | <b>Yes</b>                      |         |
| <b>IX. CEO/CFO Certification</b>   | 49 (IX)                     | <b>Yes</b>                      |         |
| <b>X. Report on Corporate Governance</b>                                 | 49 (X)                      | <b>Yes</b>                      |         |
| <b>XI. Compliance</b>  | 49 (XI)                     | <b>Yes</b>                      |         |

Date: 27-04-2015

Place: Hyderabad



**Note 1: Clause 49 (II A)**

**COMPOSITION OF BOARD**

- |                                     |                      |
|-------------------------------------|----------------------|
| 1. Mr. Ravi Vishnu                  | Managing Director*   |
| 2. Mr. Aruvu Bhopal Reddy           | Whole Time Director* |
| 3. Mr. Vikram Doodipala Reddy       | Director**           |
| 4. Mr. Venkateswara Prasad Theegala | Director***          |
| 5. Mr. Tayi Krishna Rao             | Director***          |
| 6. Mr. V L .Nanda Kumar             | Director***          |
| 7. Mr. Radha Krishna Murthy         | Director**           |
| 8. Mr. V Siva Rama Krishna Murthy   | Director***          |

\* Executive Director

\*\* Non Independent Non-Executive Directors

\*\*\* Independent Non-Executive Directors

**Clause 49(II B)**

**INDEPENDENT DIRECTORS**

- |                                     |          |
|-------------------------------------|----------|
| 1. Mr. Venkateswara Prasad Theegala | Director |
| 2. Mr. Tayi Krishna Rao             | Director |
| 3. Mr. V L .Nanda Kumar             | Director |
| 4. Mr. V Siva Rama Krishna Murthy   | Director |

**Clause 49(II C)**

**NON EXECUTIVE DIRECTORS COMPENSATION & DISCLOSURES**

No remuneration is paid to the Non executive Directors except sitting fee.

**Clause 49 (II D)**

**OTHER PROVISIONS AS TO BOARD AND COMMITTEES**

- The Company is conducting the Board Meetings regularly and it is also ensured that the gap between two Board Meetings conducted does not exceed a period of four months.
- No Director is a Member of more than 10 committees or chairman of more than 5 committees across all companies in which he is a director.

**Clause 49 (II E)**

**CODE OF CONDUCT**

Code of conduct for all the Board members and senior management was adopted in the Board meeting and the same is posted on the website. Affirmation of compliance to the Code on annual basis by the Board and senior management will be complied in the Annual Report.

**Clause 49 (II F)**

**WHISTLE BLOWER POLICY**

The company has established a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.



**Clause 49 (III A)**

**QUALIFIED & INDEPENDENT AUDIT COMMITTEE**

The following are the members of reconstituted Audit Committee

1. Mr. T. Venkateswara Prasad : Chairman\*
2. Mr. T. Krishna Rao : Member\*
3. Mr. V L Nanda Kumar : Member \*

\* Independent Non Executive Directors

**Clause 49 (III B)**

**MEETING OF AUDIT COMMITTEE**

The Audit Committee met as and when required and all the members were present at the meeting and it shall be ensured that four meetings are held with not more than four months gap between two meetings.

**Clause 49 (III C) (III D) (III E)**

**POWERS, ROLE AND REVIEW OF OPERATIONS OF AUDIT COMMITTEE**

The power, role and terms of reference of the Audit Committee as per the Listing Agreement and the Companies Act, 2013.

**Clause 49 (IV)**

**NOMINATION AND REMUNERATION COMMITTEE**

The following are the members of reconstituted Nomination and Remuneration Committee

1. Mr. T. Venkateswara Prasad : Chairman\*
2. Mr. T. Krishna Rao : Member\*
3. Mr. V L Nanda Kumar : Member \*

\* Independent Non Executive Directors

The committee exercises powers and roles as referred to in the appropriate clause of the Listing Agreement.

**Clause 49 (V)**

**SUBSIDIARY COMPANIES**

- i. At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of material non listed Indian subsidiary companies. –N.A.
- ii. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary companies. – N.A.
- iii. The Minutes of the Board Meetings of the unlisted subsidiary companies shall be placed at the Board meeting of the listed holding company. The management should periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Companies. – N.A.



**Clause 49 (VI)**

**RISK MANAGEMENT**

The Company has formulated appropriate procedures to inform Board members about the risk assessment and its minimization. The Company has also constituted a Risk Management Committee as prescribed by the listing agreement.

**Clause 49 (VII)**

**RELATED PARTY TRANSACTIONS**

The company has formulated appropriate policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions in accordance with the provisions of the Listing Agreement and the Companies Act, 2013

**Clause 49 (VIII A)**

**RELATED PARTY TRANSACTIONS**

The basis of related party transactions are reviewed by the Audit Committee and none of the transactions are in potential conflict with the interests of the Company.

**Clause 49 (VIII B)**

**DISCLOSURE OF ACCOUNTING TREATMENT**

In preparation of the financial statement, all financial transactions are given treatment in accordance with the prescribed accounting standards.

**Clause 49 (VIII C)**

**REMUNERATION OF DIRECTORS**

The details of remuneration paid to the Directors will be complied in the Annual Report.

**Clause 49 (VIII D)**

**MANAGEMENT**

The Management Discussion and Analysis Report will be complied in the Annual Report.

**Clause 49 (VIII E)**

**SHAREHOLDERS**

1. No new Directors have been appointed during the present quarter.
2. Quarterly results are being sent to the stock exchange on timely basis.
3. There are no pending investor grievances.
4. The share transfers work has been delegated to the Registrars, XL Softech Systems Limited which is attended once in a fort night.

**Clause 49 (VIII F)**

**PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND PREFERENTIAL ISSUES ETC.,**

The Company discloses the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc), on a quarterly basis to the audit committee.



**Clause 49 (IX)**

**CEO/CFO CERTIFICATION**

The CEO/CFO certification will be ensured in the Annual Report

**Clause 49 (X)**

**REPORT ON CORPORATE GOVERNANCE**

The corporate governance report will be complied in the Annual Report.

**Clause 49 (XI)**

**COMPLIANCE**

Certificate from the Auditors for compliance with clause 49 will be complied in the Annual Report.

Yours truly,

**for CSS TECHNERGY LIMITED**



**RAVI VISHNU**

**MANAGING DIRECTOR**

