



QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

 Quarter ending on : **30.09.2011**

| Particulars | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|--|-----------------------------|--------------------------|---------------------------------------|
| I Board of Directors | 49 I | | |
| (A) Composition of Board | 49(1A) | YES | |
| (B) Non-executive Directors' Compensation & disclosures | 49(1B) | YES | |
| (C) Other provisions as to Board and Committees | 49(C) | YES | |
| (D) Code of Conduct | 49(D) | YES | |
| II. Audit Committee | 49(II) | | |
| (A) Qualified & Independent Audit Committee | 49(IIA) | YES | |
| (B) Meeting of Audit Committee | | YES | |
| (C) Powers of Audit Committee 49 (IIC) | 49(II B) | YES | |
| (D) Role of Audit Committee | 49(II(D)) | YES | |
| (E) Review of Information by Audit Committee | 49(II(E)) | YES | |
| III. Subsidiary Companies | 49(III) | N.A. | |
| IV. Disclosures | 49(IV) | | |
| (A) Basis of related party transactions | 49(IV A) | YES | Complied in the Annual Report 2010-11 |
| (B) Disclosure of accounting treatment | 49 (IVB) | YES | -do- |
| (C) Board Disclosures | 49 (IVC) | YES | -do- |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 IVD) | YES | -do- |
| (E) Remuneration of Directors | 49 (IV E) | YES | -do- |
| (F) Management | 49 (IV F) | YES | -do- |
| (G) Shareholders | 49 (IV G) | YES | -do- |
| V. CEO/CFO Certification | 49 (V) | YES | -do- |
| VI. Report on Corporate Governance | 49 (VI) | YES | -do- |
| VII. Compliance | 49 (VII) | YES | -do- |

 Place: - Hyderabad
 Date: 18.10.2011

For Infronics Systems Limited

D.V. Raju
Director

Infronics Systems Limited

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