

Report on Corporate Governance under Clause 49 of the Listing Agreement

Name of the Company : FENOPLAST LIMITED BSE-SCRIP-CODE: 526689

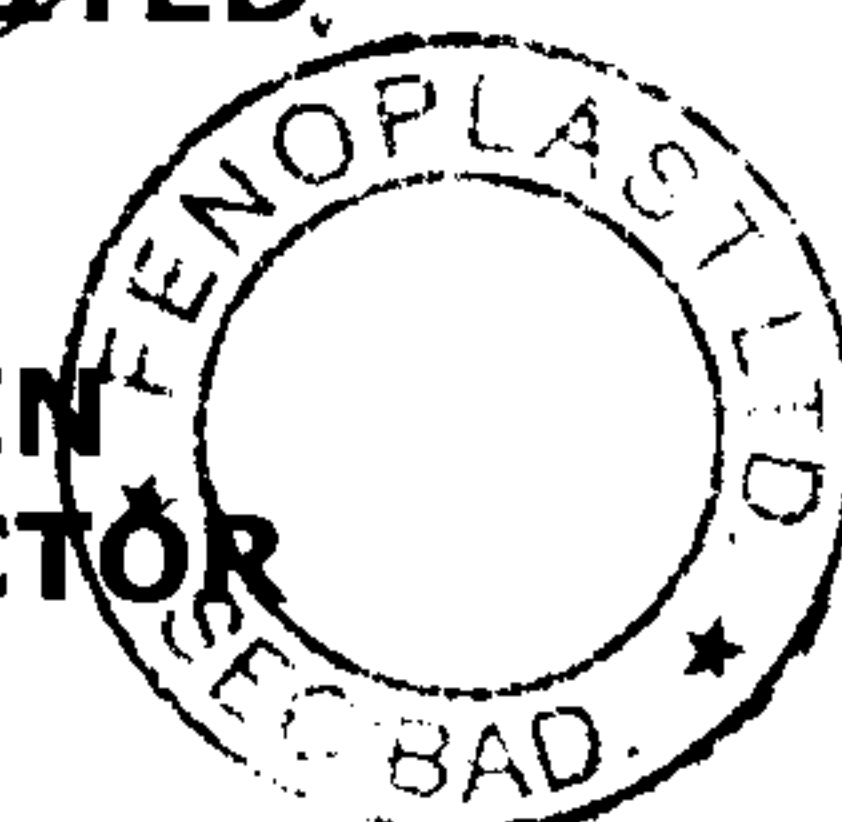
Quarter Ended on : 30th June, 2014.

| Particulars | Clause of Listing Agreement | Compliance Status (Yes/No) | Remarks |
|---|------------------------------------|-----------------------------------|----------------|
| I. Board of Directors | 49 (I) | | |
| (A) Composition of Board | 49 (I A) | Yes | -- |
| (B) Non-executive Directors' compensation & disclosures | 49 (I B) | Yes | -- |
| (C) Other provisions as to Board and Committees | 49 (I C) | Yes | -- |
| (D) Code of Conduct | 49 (I D) | Yes | -- |
| II. Audit Committee | 49 (II) | | |
| (A) Qualified & Independent Audit Committee | 49 (II A) | Yes | -- |
| (B) Meeting of Audit Committee | 49 (II B) | Yes | -- |
| (C) Powers of Audit Committee | 49 (II C) | 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 | -- |
| (B) Disclosure of Accounting Treatment | 49 (IV B) | Yes | -- |
| (C) Board Disclosures | 49 (IV C) | Yes | -- |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 (IV D) | N.A | -- |
| (E) Remuneration of Directors | 49 (IV E) | Yes | -- |
| (F) Management | 49 (IV F) | Yes | -- |
| (G) Shareholders | 49 (IV G) | Yes | -- |
| V. CEO/CFO Certification | 49 (V) | Yes | -- |
| VI. Report on Corporate Governance | 49 (VI) | Yes | -- |
| VII. Compliance | 49 (VII) | Yes | -- |

Date: 08-07-2014

Place: Hyderabad

For FENOPLAST LIMITED.

HARIDAS KISHEN
MANAGING DIRECTOR

Clause 49 (IA)

BOARD OF DIRECTORS

- | | |
|------------------------------|---|
| 1. Mr. Bandari Kamalaker Rao | : Chairman \$ |
| 2. Mr. Haridas Kishen | : Managing Director # |
| 3. Mr. Haridas Krishna Kumar | : Whole Time Director # |
| 4. Mr. Haridas Narsaiah | : Non-Executive Director # |
| 5. Mr. Katikeneni Malhar Rao | : Non-executive Independent Director \$ |
| 6. Dr. Haridas Anuradha | : Non-Executive Director # |
| 7. Mr. Niroop Reddy Patlolla | : Non-executive Independent Director \$ |

\$ Non-executive Independent Director
Promoter

Clause 49(1B)

NON EXECUTIVE DIRECTORS COMPENSATION

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

Clause 49 (1C)

BOARD PROCEDURES

- a. 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.
- b. 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 (1D)

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 (IIA)

AUDIT COMMITTEE

The following are the members of Audit Committee

1. Mr.B.Kamalaker Rao : Chairman \$
2. Dr.K.Malhar Rao : Member \$
3. Mr.Niroop Reddy Patlolla : Member \$
4. Mr.H.Narsaiah : Member #

\$ Independent Non Executive Directors

Non Independent Non-Executive Directors

Clause 49 (II B)

MEETINGS 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 (II C) (II D) (II E)

POWERS, ROLE AND REVIEW OF OPERATIONS OF AUDIT COMMITTEE

The power, role and terms of reference of the Audit Committee as per the clause 49 the Listing Agreement, section 177 of the Companies Act, 2013 and as referred by the Board from time to time.

Clause 49 (III)

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 (IV A)

BASIS OF 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 (IV B)

DISCLOSURE OF ACCOUNTING TREATMENT

The Company is complying with the all Accounting Standards in the preparation of financial statements.

Clause 49 (IV C)

BOARD DISCLOSURES

The Company continuously monitors business and operational risk. All key functions and divisions are independently responsible to monitor risk associated within their respective areas of operations. In line with the Corporate Governance practices, during the current year, an exhaustive exercise is underway for risk management commensurate with the size and nature of Company's business.

Clause 49 (IV D)

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

There was no public, rights or preferential issue proceeds outstanding and hence the compliance of the sub clause does not arise.

Clause 49 (IV E)

REMUNERATION OF DIRECTORS

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

Clause 49 (IV F)

MANAGEMENT

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

Clause 49 (IV G)

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 which are attended once in a fort night.

Clause 49 (V)

CEO/CFO CERTIFICATION

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

Clause 49 (VI)

REPORT ON CORPORATE GOVERNANCE

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

Clause 49 (VII)

COMPLIANCE

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

Yours truly,

For FENO PLAST LIMITED

HARIDAS KISHEN
MANAGING DIRECTOR

