

## Management Discussion and Analysis

### Global Scenario:

Irrespective of the developments in the US and Europe the need for software and information Technology is a growing need for the present day life world over.

### National scenerio:

As one of the leading countries contributing to software development and producer of Technology and technical personnal our country will have good potential in this industry in the years to come also.

With the above scenario there are good oppurtunities for your company with good petential in this market.

### Performance:

The company has made a start in improving the activity in the year under re-view and baring unforeseen circumstanes the Company management is hopeful of improving operation.

### Oppertunities and Threats

The basic need in the Current style of livingand need of industry provides for good future for this industry.

However the global financial crisis occurring in us and Europe cause the delay for the export operations.

## Corporate Governance

Senthil Infotek Limited believes that maintenance of established standards of corporate governance is absolutely essential for creating value for shareholders and for achieving success on a continued basis and is committed to this belief. Corporate Governance necessitates operation within accepted norms of propriety, equity, fair play and sense of justice. It lays emphasis on accountability and transparency in decision making leading to improved, reasoned and logically enhanced decisions.

### 1. Board of Directors

#### A. Board Composition

During the year under review the Board of Directors of Senthil Infotek Limited was in the process of being restructured to achieve an appropriate-mix of the board so as to have a combination of independent and other directors towards maintaining the independence of the Board. For the year ended 31 March 2011 the Board consisted of 5 Directors of which one, the Managing Director was a Whole-time Executive Director and Two Promoter, Non-Executive Directors and Two Non-Executive, Independent Directors as detailed in the table below.

The Company has ensured that Non-Executive Directors are truly Independent



and add real value to the Company.

Meetings of the board are held at least once a quarter to review the quarterly results and other items on the agenda and on the day of the Annual General Body Meeting. Additional meetings, if necessary, are held during the course of the year. Committees of the Board usually meet the day before the formal board meeting or when required for transacting business.

Sentil Infotek Limited held six Board Meetings during the financial year ending 31 March 2011. These were on 26th April 2010, 29th July 2010, 1<sup>st</sup> August 2010, 29th September 2010, 30<sup>th</sup> October 2010 and 27th January 2011.

G. Director's attendance record and directorships held

Name of Director	Position	Board meetings held during the year	Board Meetings attended during the year	Attendance at last AGM
S.Senraj Muthaiah	Non-Executive and Promoter Director	6	6	Yes
C. Pitchandi	Managing Director Executive. Whole Time Director	6	6	Yes
P.Seetha Lakshmi	Non-Executive and Promoter Director	6	6	Yes
A-Sree Hari	Non-Executive and independent director	6	6	Yes
D. Surekha	Non-Executive and independent director	6	6	Yes

None of the Directors is a member of more than 10 Board-level committees, or a chairman of more than five such committees, as required under Clause 49 of the listing agreement.

D. Disclosures of materially significant related party transactions

There has been no related party transaction between Senthil Infotek Limited and its Directors, Promoters, Management that may have potential conflict with the interests of the Company at large.

E. Remuneration of Directors: sitting fees, salary, perquisites and commissions



in Rs.

Name of Director	Sitting Fees	Commission of profits	as % Salary	Contribution to retirement /post Retirement & other benefits	Contribution to PF	Perquisites	Total
S.Senraj muthaiah	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C.Pitchandi	NA	NIL	NIL	NIL	NIL	NIL	NIL
P.Seetha Lakshmi	NIL	NIL	NIL	NIL	NIL	NIL	NIL
A-SreeHari	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D. Surekha	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total							NIL

F. Remuneration to Directors: Employee Stock Options - NIL

## 2. Sub-committees of the Board

### A. Audit Committee

In compliance with the requirement of Section 292A read with clause 49 of Listing Agreement The Following Members of Board constituted an Audit committee during the year:

Minutes of each audit committee meeting are placed before and discussed in the Board.

The Audit Committee met six times during the year 26th April 2010, 29th July 2010, 1<sup>st</sup> August 2010, 29th September 2010, 30<sup>th</sup> October 2010 and 27th January 2011.

### Composition and Attendance Record

Name of Director	Position	No. of Meetings	Meeting attended
Y. Surekha	Chairman	6	6
S Senraj Muthaiah	Member	6	6
A. Sree Hari	Member	6	6

### B. Investor's Grievance Committee

The Investors Grievances Committee of Senthil Infotek Limited looks into redressing of shareholders complaints such as transfers, non-receipt annual reports and also ensures expeditious share transfer process. The Investors Grievance committee met three times during the financial year -30th June'10, to 30th September'10, 1st March'11.



*[Handwritten signature]*

#### Composition and Attendance Record

<u>Name of Director</u>	<u>Position</u>	<u>No. of Meetings</u>	<u>Meetings attended</u>
S. Senraj Muthaiah	Member(Chairman)	3	3
A. Sree Hari	Member	3	3

#### C. Remuneration Committee

The Company's remuneration committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the remuneration of the Managing Director (the only whole time director on the Board) and the management of the company.

The committee presently consists of three directors all-of whom are Non-Executive. The remuneration committee met three times during the financial year- 30th June'10,29th September'10 and 1st March'11.

#### Composition and Attendance Record

<u>Name of Director</u>	<u>Position</u>	<u>No. of Meetings</u>	<u>Meetings attended</u>
A. Sree Hari	Member (Chairman)	3	3
S.Senraj Muthaiah	Member	3	3
P. Seetha Lakshmi	Member	3	3

There have been no financial and commercial transactions, during the financial year where the Directors may have a potential interest. However in the event a transaction is of such nature the details will be provided to the Board, and the interested Directors will neither participate in the discussion, nor will they vote on such matters.

#### 4. Share holders

A. Disclosures regarding appointment or re-appointment of directors All Directors except M.D are liable to retire by rotation.

Brief Profile, Nature of Experience, Directorships,

Committee Memberships

Sri A. Sreehari is a qualified Accounts executive with about 3 decades of experience in Finance Accounts and Tax Laws besides being a Law graduate.

Mrs. D. Surekha is a Post Graduate in Commerce. She has a very good experience in Financial Management & Company Administration.

Mr. C. Pitchandi is a qualified Civil Engineer having to his credit 30 years of practical experience in executing major projects involving heavy concreting, under water foundation etc.

Mr. Senraj Muthaiah with M.S.c. & M. Phil qualification. He has also obtained P.G.D.C.A. and Masters degree in Education.

Mrs. P. Seetha Lakshmi,, is a Qualified Teacher. After resigning her teacher job, she has been assisting her husband Mr. Pitchandi in his business for the last 30



years.

**B. Communication to share holders**

The quarterly and annual results of the company's performance are generally published in The New Indian Express (English) and the Andhra Prabha (Regional Telugu daily).

**C. Investor Grievance** As already Mentioned the Company has constituted an Investor's Grievance committee to redress shareholders complaints. The status on complaints is reported to the Board as an item on the agenda.

**D. Share Transfers:** All share transfers are handled in-house by the Company

**E. Details of non-compliance:**

1. Your company has not been able to appoint a Company Secretary as a Secretarial Compliance Officer as the Company's finances are meager to afford the luxury of appointing a qualified Company Secretary and hopes to comply with this provision as soon as the financial position of the Company improves.

2. Your company has not paid the listing fee to the Hyderabad Stock Exchange for the financial year.

**F. General Body Meetings**

Details of last three annual general meeting are given below

Financial year	Date	Time	Venue
31 March 2008	29 September 2008	4.00P.M.	157, Dhanalakshmi Society, Mahendra Hills, East Marredpally, Secunderabad - 500 026
31 March 2009	29 September 2009	4.00P.M.	157, Dhanalakshmi Society, Mahendra Hills, East Marredpally, Secunderabad - 500 026.
31 March 2010	29 September 2010	4.00P.M.	157, Dhanalakshmi Society, Mahendra Hills, East Marredpally, Secunderabad - 500 026.

**G. Postal Ballots**

For the financial year ended 31 March 2011, there have been no ordinary or special resolutions passed by the company's shareholders through postal ballot.

**Auditor's Certificate on Corporate Governance**

As required by Clause 49 of the Listing Agreement, the auditor's certificate is annexed hereto.

For and on behalf of the Board

Secunderabad

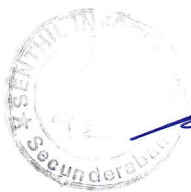
P. Seetha Lakshmi

C. Pitchandi

August 1,2011  
Director

Director

Managing



Annexure to the Corporate Governance Report

Certificate from Auditors regarding Compliance of conditions of Corporate

To the Shareholders of Senthil Infotek Limited

We have examined the compliance of conditions of Corporate Governance by Senthil Infotek Limited, for the year ended on 31 March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations give to us. We certify that the Company has complied with the conditions of corporate Governance, as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31 March 2010, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders /Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Secunderabad  
August 1, 2011

P. Srinivasan & Co  
Chartered Accountants

K. Ranganathan  
Partner



A handwritten signature in blue ink, appearing to be 'K. Ranganathan', written over the stamp.