

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company : GAYATRI PROJECTS LIMITED
Quarter ending on : 30/06/2014

| Particulars | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|--|------------------------------------|---------------------------------|--|
| I. Board of Directors | 49 I | - | |
| (A) Composition of Board | 49 (IA) | Yes | |
| (B) Non-executive Directors' compensation & disclosures | 49 (IB) | Yes | |
| (C) Other provisions as to Board and Committees. | 49 (IC) | Yes | |
| (D) Code of Conduct | 49 (ID) | Yes | |
| II. Audit Committee | 49 (II) | - | |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | |
| (B) Meeting of Audit Committee | 49 (IIB) | Yes | |
| (C) Powers of Audit Committee | 49 (IIC) | Yes | |
| (D) Role of Audit Committee | 49 (IID) | Yes | |
| (E) Review of Information by Audit Committee | 49 (IIE) | Yes | |
| III. Subsidiary Companies | 49 (III) | Yes | |
| 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 Disclosure | 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 | Will be Complied in the Annual Report |
| (F) Management | 49 (IV F) | Yes | Will be Complied in the Annual Report |
| (G) Shareholders | 49 (IV G) | Yes | Will be Complied in the Annual Report |
| V. CEO/CFO Certification | 49 (V) | Yes | Will be Complied in the Annual Report |
| VI. Report on Corporate Governance | 49 (VI) | Yes | Will be Complied in the Annual Report |
| VII. Compliance | 49 (VII) | Yes | Will be Complied in the Annual Report |

CLAUSE 49 (IA): COMPOSITION OF BOARD

- | | |
|-----------------------------------|----------------------|
| 1. Smt. T. Indira Subbarami Reddy | : Chairperson** |
| 2. Sri T.V. Sandeep Kumar Reddy | : Managing Director* |
| 3. Sri J. Brij Mohan Reddy | : Director* |
| 4. Sri G. Siva Kumar Reddy | : Director*** |
| 5. Dr V.L. Moorthy | : Director*** |
| 6. Sri Ch. Hari Vittal Rao | : Director*** |

* Executive Director

** Non Independent Non-Executive Directors

*** Independent Non-Executive Directors

CLAUSE 49(1B):NON-EXECUTIVE DIRECTORS COMPENSATION & DISCLOSURES

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

CLAUSE 49 (1C): 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 (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 complied in the Annual Report.

CLAUSE 49 (IIA): QUALIFIED & INDEPENDENT AUDIT COMMITTEE

The following are the members of constituted Audit Committee

- | | |
|-------------------------|-------------|
| Sri Ch. Hari Vittal Rao | : Chairman* |
| Dr V. L. Moorthy | : Member* |
| Sri G Siva Kumar Reddy | : Member* |

* 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 is as per the Listing Agreement and the Companies Act, 1956

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.
– **Appointed**
- 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.
– **Complying from time to time.**
- 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. – **Complying from time to time.**

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 preparing its financial statements in compliance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 and the relevant provision of the Companies Act, 1956 and Companies Act, 2013 in all respects.

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 made 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 compiled in the Annual Report.

CLAUSE 49 (IV F): MANAGEMENT

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

CLAUSE 49 (IV G): SHAREHOLDERS

1. There was no appointment or reappointment of directors during the quarter.
2. Quarterly results are being sent to the stock exchanges 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 compiled in the Annual Report.

CLAUSE 49 (VII): COMPLIANCE

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

Yours truly,
For GAYATRI PROJECTS LIMITED


(I.V. LAKSHMI)
Company Secretary & Compliance Officer



Date : 10.07.2014
Place : Hyderabad