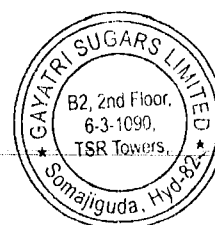


Quarterly Compliance Report on Corporate Governance

Name of the Company: Gayatri Sugars Limited

Quarter ending on: 31st December, 2011

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I	Yes	
(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	Posting of the code of conduct on the website is pending and will be complied.
II. Audit Committee	49 (II)	Yes	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee 49 (IIC)	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III. Subsidiary Companies	49 (III)	NA	
IV. Disclosures	49 (IV)		
(A) Basis of Related Party Transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	N.A	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (IV D)	NA	
(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	



[Handwritten Signature]

Clause 49 (IA)

Board of Directors

Smt. T. Indira Subbarami Reddy	: Chairperson***
Sri. TV Sandeep Kumar Reddy	: Vice Chairman***
Smt. T Sarita Reddy	: Executive Director*
Sri. TR Rajgopalan	: Director**
Sri. S Venkata Swamy	: Director**
Sri P. Maruthi Babu	: Director**

* Executive Director

** Independent Non- Executive Directors

*** Non independent non executive director

Clause 49(IB)

Non Executive Directors compensation

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

Clause 49 (IC)

Board Procedures

- The Company has conducted Board Meetings regularly and it ensured that the gap between two Board Meetings conducted did 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 (ID)

Code of Conduct

Code of conduct for all the Board members and senior management was adopted in the Board meeting. However the posting of the same on the website shall be complied by the next quarter. Affirmation of compliance to the Code on annual basis by the Board and senior management complied in the Annual report.

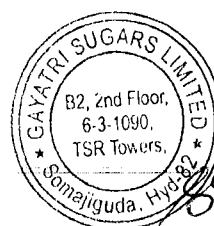
Clause 49 (IIA)

Audit Committee

The following directors constitute the Audit Committee

Sri TR Rajgopalan	: Chairman*
Smt. T Sarita Reddy	: Member
Sri P. Maruthi Babu	: 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 as per the Listing Agreement and the Companies Act, 1956 are complied with.

Clause 49 (III)

Subsidiary Companies

There are no subsidiary companies and the compliance with this sub clause does not arise.

Clause 49 (IV A)

Basis of related party transactions

The bases of related party transactions are reviewed by the Audit Committee. This sub clause is complied with.

Clause 49 (IV B)

Disclosure of Accounting Treatment

Not Applicable.

Clause 49 (IV C)

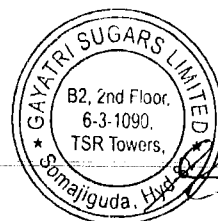
Board Disclosures

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, 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

No remuneration was paid to the non-executive directors except sitting fees. The details of remuneration paid to the Executive Director have been disclosed in the Annual Report for the year 2010 -11 and will be complied for the period 2011-12 also.

Clause 49 (IV F)

Management

The management discussion and analysis report has been included in the Annual Report 2010-11 and will be complied in the Annual report 2011-12 as well.

Clause 49 (IV G)

Shareholders

1. There were no appointment/ reappointments of directors during the quarter.
2. Quarterly results shall be sent to the stock exchanges
3. There were 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 has been included in the Annual Report 2010-11 and will be complied in the Annual Report 2011-12 as well.

Clause 49 (VI)

Report on Corporate Governance

The corporate governance report has been included in the Annual Report 2010-11 and will be complied in the Annual Report 2011-12 as well.

Clause 49 (VII) - Compliance

Certificate from the Company Secretaries in Practice for compliance with clause 49 has been included in the Annual Report 2010-11 and will be complied in the Annual Report 2011-12 as well.

Yours truly

For **Gayatri Sugars Limited**


Compliance Officer

