

ANNEXURE I

REPORT ON CORPORATE GOVERNANCE

1) Company's Philosophy on code of Corporate Governance

The Company firmly believes in and has consistently endeavored to practice good corporate Governance. The Company's Philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including shareholders and employees.

2) Board of Directors

The Board of Directors consists of 8 Directors. The Board has an optimum combination of Executive and Non-Executive directors.

a) Composition and Category of directors as on March 31, 2014

Category	No. of Directors
Promoter Directors	2
Executive Director	1
Non-Executive Independent Directors	5
Total	8

The composition of the Board is in conformity with clause 49 of the Listing Agreement entered with the Stock Exchanges.

Name	Category	Designation	No. of Meetings held during the last financial year	No. of Meeting attended	Directorships in other companies
Sri P.V.Krishna Reddy	Promoter Executive	Managing Director	05	05	10
Sri V. Thapovardhan	Promoter, Executive	Director	05	05	01
Sri Korapati Venkateswara Rao	Non-Executive, Independent	Director	05	05	02
Sri. Veerapaneni Venkata Satish	Non-Executive, Professional	Director	05	05	02
Sri. Rajasekhar Mathuru Reddy	Non executive, Promoter	Director	05	05	Nil
Sri. Syed Khaleel Ahmed	Non-Executive, Independent	Director	05	05	Nil
Sri. Veera Raghavan Pathasarathy	Non-Executive, Independent	Director	05	05	Nil
Sri. Sreedhar Ikkurthi	Non-Executive, Independent	Director	05	05	Nil

c) Number of other Directorships & Committee Membership/ Chairmanship

Sl. No.	Name of Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Sri P.V. Krishna Reddy	10	None	None
2	Sri V. Thapovardhan	01	None	None
3	Sri Korapati Venkateswara Rao	02	None	None
4	Sri Veerapaneni Venkata Satish	02	None	None
5	Sri Rajasekhar Mathuru Reddy	None	None	None
6	Sri Syed Khaleel Ahmed	None	None	None
7	Sri Veera Raghavan Pathasarathy	None	None	None
8	Sri Sreedhar Ikkurthi	None	None	None

e) No. of Board Meetings held and dates on which they were held during the year 2013-14

Quarter	No. of Meetings	Dates on which held
April – June 2013	1	31 st May 2013
July – September 2013	2	14 th August 2013 & 2 nd September, 2013
October – December 2013	1	14 th November 2013
January – March 2014	1	14 th February 2014
Total	5	

d) Pecuniary relationship or transactions of Non-Executive Directors

Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management which in the judgment of the Board may affect independence of judgment of the Director.

e) Code of Conduct

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. All Directors affirmed compliance with the Code for the year under review. A declaration to this effect duly signed by the Managing Director of the Company is annexed to this report.

f) CEO/CFO Certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and Whole-time Director have certified to the Board the financial statements for the year ended 31st March, 2014.

3) Board Committees

The Board currently has 3 Committees: I) Audit Committee, II) Nomination and Remuneration Committee and III) Stakeholders Relationship Committee (earlier known as Shareholders'/ Investors' Grievance Committee). The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and related attendance is provided below.

I. AUDIT COMMITTEE

The Audit Committee consists of Non-Executive Independent Directors viz., Sri. Syed Khaleel Ahmed, Sri Veerapaneni Venkata Satish and Sri K. VenkateswaraRao (The constitution of Audit Committee also meets with the requirements under Section 292 A of the Companies Act, 1956).

The Composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations.

The Audit Committee shall oversee financial reporting process and disclosures, review annual financial statements, review adequacy of internal audit function, related party transactions, review financial and risk management policies, oversee compliance with Stock Exchange and legal requirements concerning financial statements, review auditor's qualifications (draft), compliance with Accounting Standards, recommending the appointment and renewal of external Auditor, fixation of Audit fee and also approval for payment for any other services, etc.

During the year, the Audit committee has met five times. Attendances of each member at the committee meeting were as follows :

SI.No:	Name of Member	Status	No: of Meetings
1.	Sri Syed Khaleel Ahmed	Independent Director	05
2	Sri Veerapaneni Venkata Satish	Independent Director	05
3	Sri K. VenkateswaraRao	Independent Director	05

II. Nomination and Remuneration Committee:

The Composition of the Remuneration Committee is as follows:

- a) Sri Syed Khaleel Ahmed - Chairman
- b) Sri Veerapaneni Venkata Satish - Member
- c) Sri K. Venkateswara Rao - Member

The Remuneration committee has been constituted to recommend / review the Remuneration of the Executive Directors. The remuneration policy is in consonance with the existing industry practices and also with the provisions of the Companies Act, 1956.

Remuneration of Directors:

The Company pays remuneration by way of salary, perquisites and other allowances to the Managing Director/Whole-time Directors as approved by the Board and Shareholders of the Company.

The remuneration is fixed considering various factors such as qualification, experience, expertise, and prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration structure comprises of Basic Salary, Commission, perquisites and allowances, Contribution to Provided Fund and other funds in accordance with the Provisions of the Companies Act, 1956. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for each meeting of the Board attended by them.

III. Stakeholders Relationship Committee:

As a measure of Good Corporate Governance and to focus on the Shareholder's grievance and towards strengthening investor relations, as Investor's Grievance Committee has been constituted as a sub-committee of the Board.

The composition of the Committee as follows:*

- i. Sri Syed Khaleel Ahmed – Chairman
- ii. Sri Veerapaneni Venkata Satish – Member
- iii. Sri K. VenkateswaraRao – Member

The Committee primarily focuses on shareholder grievances, inter-alia, approves the issue of duplicate share certificates and oversees and reviews all matters connected with servicing of investors. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall quality improvement of investor services.

The Company has appointed M/s Venture Capital and Corporate Investments Private Limited as Registrar & Share Transfer Agents and they will also attend to Investors Grievances.

4. General Body Meetings

a) Date, Venue and Time of the last three Annual General Meetings

Date	Venue	Time	No. of Special Resolutions
30.09.2013	Plot No 23 Phase IV, IDA, Jeedimetla, Hyderabad – 500055	3.00 P.M.	Nil
29.09.2012	Plot No 23 Phase IV, IDA, Jeedimetla, Hyderabad – 500055	11.00 A.M.	Nil
30.09.2011	H.No. 8-2-389/A, Plot No 1367, Pagan Plaza, Road no: 45, Jubilee Hills, Hyderabad 500 033	11.00 AM	Nil

5. Disclosures

There are no materially significant related party transactions, i.e., transactions material in nature, with its promoters, Directors or the Management their relatives etc. that may potentially conflict with the interests of the company.

The Company has not adopted the non-mandatory requirements. And no penalties are imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Whistle Blower Policy:

We have established a mechanism for employees to report to the management, concerns about un ethical behavior actual or suspected frauds or violation of our code of conduct policy. The mechanism also provides for adequate safeguard against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit committee in exceptional cases.

6. Means of Communication

The main channel of communication to the shareholders is through the annual report which inter alia includes the Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report, along with the Auditors Report, and Shareholders Information.

The Quarterly Unaudited results are regularly sent to the Bombay Stock Exchange where shares are listed and normally published in the all India editions of the Business Standard (National Daily) and Andhra Prabha (Regional Newspaper) along with the official news release.

**The Committee includes the Audit Committee, the Remuneration Committee and the Shareholders / Investor Grievance Committee.*

8. The Management Discussion and Analysis Report

A separate Report of Management discussion and analysis is attached as a part of the Annual Report.

9. Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company. As permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

10. Company's Policy on prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Sri. Veerapaneni Venkata Satish had been appointed as the Compliance Officer for the purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

Compliance with Clause 49 Mandatory Requirements

The Company complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement and is also submitting a quarterly compliance report duly certified by compliance officer of the company to the stock exchanges within the time frame prescribed under regulations.

11. General Information for shareholders

a. Annual General Meeting Day, date, time and venue	Tuesday, the 30 th September 2014 at 03.00 P.M at Plot No 23, Phase 4, IDA Jeedimetla, Hyderabad-500055
b. Book closure dates	From 27 th September to 30 th September 2014 (both days inclusive) for the purpose of Annual General Meeting
c. Financial Calendar	
(i) 1 st Quarter	1 st April to 30 th June
(ii) 2 nd Quarter	1 st July to 30 th September
(iii) 3 rd Quarter and	1 st October to 31 st December
(iv) 4 th Quarter	1 st January to 31 st March
d. Financial Year	Year ending March 31, 2014
e. Listing of equity shares is at	The Bombay Stock Exchange Limited, 25th Floor, P J Towers, Dalal Street, Fort, Mumbai - 400 001.
f. Stock Code	530361
g. Share Transfer System	Share transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.

h. Secretarial Audit	Secretarial Audit is being carried out every quarter by a Practicing Company Secretary and his audit report is placed before the Board for its perusal and filed with the Stock Exchange.
i. Location	Registered Office: Plot No 23, Phase 4, IDA, Jeedimetla, Hyderabad-500055 Email: seagoldacqa@gmail.com Website: www.seagoldaqua.com
j. Registrar & Share Transfer Agents	M/s Venture Capital and Corporate Investments Private Limited#12-10-167, Bharat Nagar, Hyderabad-18 Registration No. with SEBI: INR00001203 Tel: +91-40-23818475/476 Fax: +91-40-23868024 Email: info@vccilindia.com
k. Query on the Annual Report	Sri. Veerapaneni Venkata Satish Director/ Compliance officer Sea Gold Infrastructure Limited, Plot No.23, Phase IV, IDA Jeedimetla, Hyderabad – 500 055 Email: seagoldacqa@gmail.com Website: www.seagoldaqua.com
i. Corporate Identification No:	L70200TG1993PLC016389

l. Distribution of shareholding as on 31st March, 2014

Category	No. of shareholders	Total Shares	% of holding
Promoter & Promoter Groups	9	3897410	71.54
Financial Institutions/Banks	2	50000	0.92
Bodies Corporate	12	587310	10.77
Resident Individuals	922	859880	15.78
Non Resident Indians	50	46230	0.85
Mutual Funds/UTI	1	7410	0.14
Total	996	5448240	100.00

m) Categories of share holders as on 31st March, 2014

Category	No. of Shared Held	Percentage
Promoters and Promoter Group	3897410	71.54
Financial Institutions	50,000	0.92
Others	1500830	27.54
Total	5448240	100.00

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To

The Shareholders

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company and have submitted declaration in this behalf for the year ended 31st March 2014.

By the order of the Board
For **Sea Gold Infrastructure Limited**

Sd/-

P.V.Krishna Reddy

Managing Director

DIN: 00308975

Date: 28.07.2014

Place: Hyderabad

Chief Executive Officer Certification under Clause 49 of the Listing Agreement with the Stock Exchange

To

The Board of Directors

Sea Gold Infrastructure Limited

We, **P.V.Krishna Reddy**, Managing Director and Syed Khaleel Ahmed, Director of Sea Gold Infrastructure Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Profit and Loss Account, its schedule & notes to the accounts and cash flow statement for the year ended 31st March 2014 and that to the best of my knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair views of the Company's and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a) Significant changes in internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place: Hyderabad

Date: 28.07.2014

P.V.Krishna Reddy

Managing Director

DIN: 00308975

Syed Khaleel Ahmed

Director

DIN: 05347153