

GRACIOUS SOFTWARE LIMITED

Regd office: G-6 Ground Floor, House No. 4346 Gali No. 4C, Ansari Road, Darya Ganj, Delhi - 110002
CIN No. U72300DL2007PLC168989; Email Id: gracious_software@yahoo.com; www.gracsoft.com

COMPLIANCE REPORT ON CORPORATE GOVERNANCE Quarter ending on: 30th September, 2014

| Particulars | Clause of Listing Agreement | Compliance Status Yes / No | Remarks |
|---|-----------------------------|----------------------------|---|
| I. Board of Directors | 42 (1) | YES | --- |
| (A) Compliance of Board | | | Optimum Combination of Executive, Non-Executive and Independent Directors in Board |
| (B) Non-Executive Directors' compensation & Disclosures | 42(IA) 42(IB) | YES YES | --- |
| (C) Other Provisions as to Board & Committees | 42(IC) | YES | --- |
| (D) Code of Conduct | 42(ID) | YES | Disclosure will be made in next Annual Report. |
| II. Audit Committee | 42 (II) | YES | --- |
| (A) Qualified & Independent Audit Committee | 42(IIA) | YES | Audit Committee has 3 Members and Chairmen of the Committee is an Independent Director. |
| (B) Meeting of Audit Committee | 42(IIB) | YES | --- |
| (C) Powers of Audit Committee | 42(IIC) | YES | --- |
| (D) Role of Audit Committee | 42(IID) | YES | --- |
| (E) Review of Information by Audit Committee | 42(IIE) | YES | --- |
| III. Subsidiary Companies | 42 (III) | N.A | The Company has no subsidiary |
| IV. Disclosures | 42 (IV) | YES | --- |
| (A) Basis of related Party Transactions | 42(IVA) | YES | Duly Complied |
| (B) Disclosure of Accounting Treatment | 42(IVB) | YES | Duly Complied |
| (C) Board Disclosures | 42 (IVC) | YES | Duly Complied |
| (D) Proceeds from public issues, rights issues, preferential issues | 42 (IVD) | N.A | --- |

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|------------------------------------|----------|------|---------------|
| (E) Remuneration of Directors | 42(IVE) | YES | Duly Complied |
| (F) Management | 42 (IVF) | YES | Duly Complied |
| (G) Shareholders | 42 (IVG) | YES | Duly Complied |
| V. CEO/CFO Certifications | 42 (V) | YES | Duly Complied |
| VI. Report on Corporate Governance | 42 (VI) | YES | Duly Complied |
| VII. Compliance | 42 (VII) | Y ES | Duly Complied |

For Gracious Software Limited


Mahendra Singh
Director

Date: 13th October, 2014

Place: New Delhi