



**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

Name of the Company: **Narbada Gems and Jewellery Limited**

Quarter ending on : **31.03.2015**

Particulars	Clause of Listing agreement	Compliance Status Yes/No/NA	Remarks
<b>II. Board of Directors</b>	49 (II)	-	<b>AS PER THE NOTES ANNEXED HERETO</b>
(A) Composition of Board	49 (IIA)	Yes	
(B) Independent Directors	49 (IIB)	Yes	
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	
(F) Whistle Blower Policy	49 (IIF)	Yes	
<b>III. Audit Committee</b>	49 (III)	-	
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
<b>IV. Nomination and Remuneration Committee</b>	49 (IV)	Yes	
<b>V. Subsidiary Companies</b>	49 (V)	NA	
<b>VI. Risk Management</b>	49 (VI)	Yes	
<b>VII. Related Party Transactions</b>	49 (VII)	Yes	
<b>VIII. Disclosures</b>	49 (VIII)	-	
(A) Related party transactions	49 (VIII A)	Yes	
(B) Disclosure of Accounting Treatment	49 (VIII B)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	
(D) Management	49 (VIII D)	Yes	
(E) Shareholders	49 (VIII E)	Yes	
(F) Proceeds from public issues, rights issue, preferential issues etc.	49 (VIII F)	NA	
<b>IX. CEO/CFO Certification</b>	49 (IX)	Yes	
<b>X. Report on Corporate Governance</b>	49 (X)	Yes	
<b>XI. Compliance</b>	49 (XI)	Yes	

**Corporate Office**

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## **Note 1: Clause 49 (II)- BOARD OF DIRECTORS**

### **Clause 49 (IIA)**

#### **Composition of Board**

The Board of Directors of the Company is comprised of optimum combination of Executive and Non-executive directors with one woman director and more than fifty percent of the Board of Directors comprising non-executive directors. The composition of the Board is as follows:

- |                            |                      |
|----------------------------|----------------------|
| 1. Mr. Sanjay Kumar Sanghi | - Managing Director* |
| 2. Mr. Ritesh Kumar Sanghi | - Director*          |
| 3. Mr. Vinod Agarwal       | - Director**         |
| 4. Mr. Ram Prasad Vempati  | - Director**         |
| 5. Mr. Siddharth Goel      | - Director**         |
| 6. Mrs. Bhavana Sanghi     | - Director***        |

\*Executive Directors

\*\* Independent Non-Executive Directors

\*\*\* Non-Executive Woman Director

### **Clause 49 (IIB)**

#### **Independent Directors**

The Board of Directors of the Company is comprised of requisite number of Independent Directors as per Clause 49(II)(A) and further, all the directors fulfill the criteria of Independent Director as mentioned under Clause 49(II)(B) of the listing agreement.

### **Clause 49 (IIC)**

#### **Non-executive Directors' compensation & disclosures**

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

### **Clause 49 (IID)**

#### **Other provisions as to Board and Committees**

1. 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 one hundred and twenty days.
2. 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 (IIE)**

#### **Code of Conduct**

Code of conduct for all the Board members and senior management was adopted by the Board. Affirmation of compliance to the Code on annual basis by the Board and senior management is complied with in the Annual Report.

### **Clause 49 (IIF)**

#### **Whistle Blower Policy**

The company is in the process of establishing a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy and also to provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism.

### **Note 2: Clause 49 (III)- AUDIT COMMITTEE**

#### **Clause 49 (IIIA)**

#### **Qualified & Independent Audit Committee**

The following are the members of the Audit Committee:

1. Mr. Ram Prasad Vempati - Chairman\*
2. Mr. Siddharth Goel - Member\*
3. Mr. Vinod Agarwal - Member\*

\* Independent and Non Executive Directors

#### **INVESTORS GRIEVANCE COMMITTEE**

The following are the members of Investor Grievance Committee:

1. Mr. Vinod Agarwal - Chairman
2. Mr. Siddharth Goel - Member
3. Mr. Ram Prasad Vempati - Member

### **Clause 49 (IIIB)**

#### **Meeting of Audit Committee**

The Audit Committee met as and when required and all the members were present at the meeting and it is ensured that at least four meetings are held in a year with not more than four months gap between two meetings.

### **Clause 49 (III C) (III D) (III E)**

#### **Powers, Role of and Review of Information by Audit Committee**

The power, role of and review of information by the Audit Committee are as per the Listing Agreement and the Companies Act, 2013.

#### **Note 3: Clause 49 (IV)- NOMINATION AND REMUNERATION COMMITTEE**

The Committee constituted by the Company is responsible for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

The following are the members of the Remuneration Committee:

1. Mr. Vinod Agarwal - Chairman\*
2. Mr. Ram Prasad Vempati - Member\*
3. Mr. Siddharth Goel - Member\*

\* Independent and Non Executive Directors

#### **Note 4: Clause 49 (V)- SUBSIDIARY COMPANIES**

The Company does not have any subsidiary nor is it a subsidiary of any other Company under the Company Act, 2013. Therefore the compliance of the sub clause is not applicable to the Company.

#### **Note 5: Clause 49 (VI)- RISK MANAGEMENT**

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan for the company.

#### **Note 6: Clause 49 (VII)- RELATED PARTY TRANSACTIONS**

The basis of related party transactions are reviewed and approved by the Audit Committee and none of the transactions are in potential conflict with the interests of the Company. The Company has also obtained approval of members by special resolution at the Annual General Meeting for related party transactions proposed to be entered amongst its associate companies.

#### **Note 7: Clause 49 (VIII)- DISCLOSURES**

##### **Clause 49 (VIII A)-**

##### **Related Party Transactions**

The basis of related party transactions are reviewed and approved by the Audit Committee and none of the transactions are in potential conflict with the interests of the Company. The details of Related Party Transactions entered into by the Company during the quarter are as under:

**A) Related parties and their relationship**

**I. Associate Concerns**

1. Sanghi Jewellers Private Limited

**B) Transactions with related parties during the quarter ended 31<sup>st</sup> March, 2015**

Nature of Transactions	Amount of Transactions from 01.01.2015- 31.03.2015 (In Rs.)
<b>(a) Transactions during the Quarter</b>	
<b><u>Purchases:</u></b>	
Sanghi Jewellers Private Limited	2,72,07,679/-
<b><u>Job work Expenses:</u></b>	
Sanghi Jewellers Private Limited	5,80,165/-
<b><u>Rent:</u></b>	
Sanghi Jewellers Private Limited	91,800/-
<b>(b) Balance outstanding as at the end of Quarter</b>	
<b><u>Trade Payables:</u></b>	
Sanghi Jewellers Private Limited	1,00,88,572/-
<b><u>Rent Payable:</u></b>	
Sanghi Jewellers Private Limited	27,540/-

**Clause 49 (VIIB)-**

**Disclosure of Accounting Treatment**

The Company follows Accounting Standards notified under the Companies Act, 2013 in the preparation of financial statements. The Company has not adopted a treatment different from that prescribed in an Accounting Standards.

**Clause 49 (VIIC)-**

**Remuneration of Directors**

The details of remuneration paid to the Directors are complied with in the Annual Report. No remuneration is paid except sitting fees.

**Clause 49 (VIID)-**

**Management**

The Management Discussion and Analysis Report are complied in the Annual Report.

**Clause 49 (VIIE)-**

**Shareholders**

1. Quarterly results are being sent to the stock exchange on timely basis.
2. There are no pending investor grievances.
3. The share transfers work has been delegated to the Registrars which are attended once in a fortnight.

**Clause 49 (VIIF)-**

**Proceeds from public issues, rights issue, preferential issues etc.**

There was no public, rights or preferential issue proceeds outstanding and hence the compliance of the sub clause does not arise.

**Note 8: Clause 49 (IX)- CEO/CFO CERTIFICATION**

The CEO/CFO certification is included in the Annual Report.

**Note 9: Clause 49 (X)- REPORT ON CORPORATE GOVERNANCE**

The corporate governance report is complied with in the Annual Report.

**Note 10: Clause 49 (XI)- COMPLIANCE**

Certificate from the Auditors for compliance with clause 49 is complied with in the Annual Report.

Yours truly,

**For NARBADA GEMS AND JEWELLERY LIMITED**

  
**SANJAY KUMAR SANGHI**  
**Managing Director**  
**DIN: 00629693**

**Place: Hyderabad**

**Date: 13.04.2015**