



QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company: **NARBADA GEMS AND JEWELLERY LIMITED**  
 Quarter ending on : **30.09.2014**

Particulars	Clause of Listing agreement	Compliance Status Yes/No/NA	Remarks
<b>I. Board of Directors</b>	49 (I)	-	<b>AS PER THE NOTES ANNEXED HERETO</b>
(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	
<b>II. Audit Committee</b>	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 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	NA	
<b>IV. Disclosures</b>	49 (IV)	-	
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(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	
<b>V. CEO/CFO Certification</b>	49 (V)	Yes	
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	
<b>VII. Compliance</b>	49 (VII)	Yes	

**Corporate Office**

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**Note 1: Clause 49 (IA)**

**BOARD OF DIRECTORS**

- |                            |                      |
|----------------------------|----------------------|
| 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 Director

\*\*Non-Executive Directors

\*\*\* Independent and Non-Executive Directors

**Clause 49 (1B)**

**NON EXECUTIVE DIRECTORS COMPENSATION**

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

**Note 2: 49 (1C)**

**BOARD PROCEDURES**

- 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 by the Board. Affirmation of compliance to the Code on annual basis by the Board and senior management will be complied in the Annual Report.

**Note 3: 49 (IIA)**

**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 (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 are 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 – N.A.
- 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. – N.A.
- 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. – N.A.

### **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 follows Accounting Standards notified under the Companies Act, 1956 in the preparation of financial statements. The Company has not adopted a treatment different from that prescribed in an Accounting Standards.

**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 proceeds outstanding 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 are complied in the Annual Report.

**Clause 49 (IV F)**

**MANAGEMENT**

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

**Clause 49 (IV G)**

**SHAREHOLDERS**

1. One person who was appointed as an Additional director by the Board of Directors under Section 161(1) of the Companies Act, 2013, was regularized as Director of the Company at the Annual General Meeting held on 23.09.2014.
2. Quarterly results are being sent to the stock exchange 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 is included in the Annual Report.

**Clause 49 (VI)**

**REPORT ON CORPORATE GOVERNANCE**

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

**Clause 49 (VII)**

**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**

**Dated: 14.10.2014**