

**QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

Name of the Company : NARBADA GEMS AND JEWELLERY LIMITED  
Quarter ending on : 31.03.2013

Particulars	Clause of Listing agreement	Compliance Status Yes/No/NA	Remarks
<b>I. Board of Directors</b>	49 I	-	AS PER THE NOTES ANNEXED HERETO
(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		Yes	
(C) Powers of Audit Committee 49 (IIC)	49 (IIB)	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	

### 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\*\*\*

\* Executive Director

\*\* Non Independent Non-Executive Directors

\*\*\* Independent Non-Executive Directors

Mr. Hemraj Baid has tendered his Resignation from the post of Company Secretary of the Company with effect from 04.03.2013. Mr. Sanjay Kumar Sanghi has been appointed as the Compliance officer of the Company

### 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**

- a. 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.
- b. 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 in the Board meeting. 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 reconstituted Audit Committee.

1. Mr. Ram Prasad Vempati : Chairman\*
2. Mr. Vinod Agarwal : Member\*

3. Mr. Siddharth Goel : 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 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. The Related Party transactions will be reported in the Annual Report as required.

#### Clause 49 (IV B)

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

The financial statements of the Company are prepared in accordance with the Accounting Standards as prescribed by the Institute of Chartered Accountants of India as per Indian GAAP.

#### 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 will be complied in the Annual Report.

#### Clause 49 (IV F)

#### **MANAGEMENT**

The Management Discussion and Analysis Report will be complied in the Annual Report.

#### Clause 49 (IV G)

#### **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 fort night.

#### Clause 49 (V)

#### **CEO/CFO CERTIFICATION**

The CEO/CFO certification will be ensured in the Annual Report

**Clause 49 (VI)**

**REPORT ON CORPORATE GOVERNANCE**

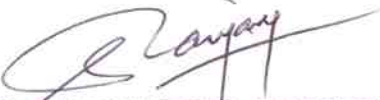
The corporate governance report will be complied in the Annual Report.

**Clause 49 (VII)**

**COMPLIANCE**

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

Yours truly,  
**For NARBADA GEMS AND JEWELLERY LIMITED**

  
**(SANJAY KUMAR SANGHI)**  
**MANAGING DIRECTOR**