

Quarterly Compliance Report on Corporate Governance

Name of the Company : **KRBL Limited**

Quarter ending on : **March 31, 2014**

| Particulars | Clause of Listing Agreement | Compliance Status Yes/No/N.A. | Remarks |
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| I. Board of Directors | 49 I | | |
| (A) Composition of Board | 49 (IA) | Yes | Board of Directors of the Company comprises of 10 Directors of which five are executive and five are non-executive & independent directors. Mr. Gautam Khaitan, Non-executive & Independent Director, resigned w.e.f. 18.04.2013 and Mr. Devendra Kumar Agarwal has been inducted into the Board as an Additional Director w.e.f. 16.01.2014. Company shall obtain confirmation from the non-executive directors for adherence to the criteria prescribed for 'Independent Director' under Clause 49 (1) (A) (iii) of the Listing Agreement for the Financial Year 2014-15. During the period under review, no nominee director was appointed by any institution which invested in or lent monies to the Company. |
| (B) Non-executive Directors' Compensation & Disclosures | 49 (IB) | Yes | No remuneration or compensation is paid to any non-executive directors; however the Company has obtained necessary approval of shareholders to pay remuneration or compensation to non-executive directors. All pecuniary relationship or transactions have been disclosed in the 20 th Annual Report for the year ended March 31, 2013 and shall be disclosed in the 21 st Annual Report for the year ended March 31, 2014. |
| (C) Other provisions as to Board and Committees | 49 (IC) | Yes | <p>During the quarter ended March 31, 2014, one Board Meeting has been held on January 16, 2014 and the gap between the said meeting and the meeting held during last quarter did not exceed 4 months.</p> <p>During the financial year 2013-14 four board meetings have been held on May 29, 2013, August 13, 2013, November 14, 2013 and January 16, 2014 respectively.</p> <p>All information included in the Annexure-1A of Clause 49 of the Listing Agreement, which occurs during this quarter has been produced before the Board.</p> <p>No Director is a member in more than 10 Committees or act as Chairman of more than 5 Committees.</p> |

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| (D) Code of Conduct | 49 (ID) | Yes | <p>The Company has formulated and adopted a Code of Conduct which is applicable to all board members and senior management personnel. The said code of conduct is available on the website of the company i.e. www.krblice.com.</p> <p>All Board members and senior management personnel affirms the compliance with the code of conduct on an annual basis. The Annual Report of the company for the year ended March 31, 2013 contains declaration to this effect has been signed by the CEO/CFO of the company and the same shall be part of the Annual Report for the the year ended March 31, 2014.</p> |
| II. Audit Committee | 49 (II) | | |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | <p>The Audit Committee of the board comprises of four non-executive and independent directors, all of them have the relevant accounting and financial management expertise. The Chairman of the Audit Committee was present at the AGM held on September 23, 2013 to answer shareholders queries. It is the Company's privilege to invite senior executives of the Company whom it considers appropriate to be present at the meeting. Senior management and representatives of the Statutory Auditors are invited to participate in the meetings of the Committee as and when necessary.</p> <p>Mr. Anoop Kumar Gupta, Joint Managing Director of the Company resigned from the Audit Committee effective from January 16, 2014 and Mr. Devendra Kumar Agarwal was inducted. Present Composition of Audit Committee is as follows:</p> <ul style="list-style-type: none"> - Mr. Devendra Kumar Agarwal - Chairman/Member - Mr. Vinod Ahuja - Member - Dr. Narpinder Kumar Gupta - Member - Mr. Ashwani Dua - Member <p>Mr. Devendra Kumar Agarwal is the Chairman of the Audit Committee and he is an independent director.</p> |
| (B) Meeting of Audit Committee | 49 (IIB) | Yes | During the Financial Year 2013-14, four Audit Committee meetings have been held on May 29, 2013 August 13, 2013, November 14, 2013 and January 16, 2014 respectively. |
| (C) Powers of Audit Committee | 49 (IIC) | Yes | The terms of reference of the Audit Committee of Directors includes the matters referred to in Clause 49 (II) (C), (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956. |
| (D) Role of Audit Committee | 49 (IID) | Yes | The terms of reference of the Audit Committee of Directors includes the matters referred to in Clause 49 (II) (C), (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956. |
| (E) Review of Information by Audit Committee | 49 (IIE) | Yes | The relevant information as referred to in this sub-clause is submitted to the Audit Committee for their review on an ongoing basis. |

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| III. Subsidiary Companies | 49 (III) | N. A. | The company does not have any material non listed Indian Subsidiary as defined in Clause 49 of the Listing Agreement. |
| IV. Disclosures | 49 (IV) | | |
| (A) Basis of related party transactions | 49 (IV A) | Yes | The related party transactions for the financial year 2013-14 have been disclosed in the 20 th Annual Report of the Company for the year ended March 31, 2013 and shall be disclosed in the 21 st Annual Report for the year ended March 31, 2014. |
| (B) Disclosure of Accounting Treatment | 49 (IV B) | N. A. | Financial statements are prepared in accordance with Accounting Standards prescribed by the Institute of Chartered Accountants of India, from time to time. No treatment different from the treatment as prescribed in an Accounting Standard has been followed. Disclosures regarding different treatment from that prescribed in Accounting Standard will be made whenever occurred. |
| (C) Board Disclosures – Risk Management | 49 (IV C) | Yes | The Company has carried out detailed exercise to identify the risk facing in the business, classification of risk into high, medium and low and measures for mitigation of the risks. Company reviews the risks identified periodically. |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49 (IV D) | N. A. | The Company has not raised any money through an issue of securities in any manner as specified in Clause 49 of the Listing Agreement. |
| (E) Remuneration of Directors | 49 (IV E) | Yes | Disclosures regarding Remuneration of Directors for the financial year 2012-13 have been made in the 20 th Annual Report for FY 2012-13 and for the FY 2013-14 shall be disclosed in the 21 st Annual Report. |
| (F) Management | 49 (IV F) | Yes | Disclosures regarding Management Discussion and Analysis Report for the financial year 2012-13 has been made in the 20 th Annual Report for FY 2012-13 and for the FY 2013-14 shall be disclosed in the 21 st Annual Report. |
| (G) Shareholders | 49 (IV G) | Yes | Information relating to appointment and re-appointment of Directors has been disclosed in the 20 th Annual Report of the Company for the year ended March, 31 2013 and for the FY 2013-14 shall be disclosed in the 21 st Annual Report. |

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| | | | <p>The Company has a Shareholders/investors Grievance Committee to specifically look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.</p> <p>Mr. Ashwani Dua is the chairman of the committee and is an independent & non-executive director.</p> <p>the Composition of Shareholder/ Investor Grievance Committee is as follows:</p> <ul style="list-style-type: none"> - Mr. Ashwani Dua - Chairman/Member - Mr. Vinod Ahuja - Member - Dr. Narpinder Kumar Gupta - Member |
| V. CEO/CFO Certification | 49 (V) | Yes | The CEO/CFO certification for the FY 2012-13 has been complied with in the 20 th Annual Report for FY 2012-13 and for the FY 2013-14 shall be complied with in the 21 st Annual Report. |
| VI. Report on Corporate Governance | 49 (VI) | Yes | <p>Compliance has been made in the 20th Annual Report for the year ended March 31, 2013 and compliance for the year ended March 31, 2014 shall be made in the 21st Annual Report.</p> <p>The Company has been submitting the quarterly compliance report on corporate governance to BSE and NSE. Copies of the said reports after submission to Stock Exchanges are placed at every succeeding Board Meeting of the Company.</p> |
| VII. Compliance | 49 (VII) | Yes | The 20 th Annual Report for the year ended March 31, 2013 contains a certificate obtained from DMK Associates, Company Secretaries regarding compliance of conditions of corporate governance. The said certificate along with the Annual Report has been sent to all shareholders and also filed with the Stock Exchanges. Compliance for the year ended March 31, 2014 shall contain in the 21 st Annual Report. |