

# NAVKETAN MERCHANTS LIMITED

## Quarterly Compliance Report on Corporate Governance (In terms of the revise clause 49 of the listing agreement)

Name of the Company : NAVKETAN MERCHANTS LIMITED

Quarter ended on : 31<sup>st</sup> December, 2010

| Sl. No. | Particulars   | Clause of The Listing Agreement | Compliance status (Yes/No) | Remarks  |
|---------|---|---------------------------------|----------------------------|--|
| I.      | <b>Board of Directors-</b>                            | 49(I)                           |                            |  |
|         | (A) Composition of Board                              | 49(1A)                          | Yes                        |  |
|         | (B) Non-executive Directors compensation & disclosure | 49(1B)                          | Yes                        | No such compensation is provided   |
|         | (C) Other provisions as to Board and Committees       | 49(1C)                          | Yes                        |  |
|         | (D) Code of Conduct                                   | 49(1D)                          | Yes                        | Declaration on compliance of the code of conduct will appear in the Annual Report for the financial year ended on 31 <sup>st</sup> March 2011. |
| II.     | <b>Audit Committee-</b>                               | 49(II)                          |                            |  |
|         | (A) Qualified & Independent Audit Committee.          | 49(IIA)                         | Yes                        |  |
|         | (B) Meeting of Audit Committee                        | 49(II B)                        | Yes                        |  |
|         | (C) Powers of Audit Committee                         | 49(II C)                        | Yes                        |  |
|         | (D) Role of the Audit Committee                       | 49(II D)                        | Yes                        |  |
|         | (E) Review of Information by Audit Committee          | 49(II E)                        | Yes                        |  |
| III.    | <b>Subsidiary Companies</b>                           | 49(III)                         | N.A                        | The Company does not have any subsidiary   |

|             |  |         |     |  |
|-------------|--|---------|-----|--|
| <b>IV.</b>  | <b>Disclosures-</b>  | 49(IV)  |     |  |
|             | (A) Basis of related party transactions                                  | 49(IVA) | N.A |  |
|             | (B) Disclosure of Accounting Treatment                                   | 49(IVB) | Yes | Will be complied in the Annual Report for the financial year ended on 31 <sup>st</sup> March 2011.   |
|             | (C) Board Disclosures (Risk Management)                                  | 49(IVC) | Yes | The company has carried out detail exercise to identify the risk facing its business. These have been reviewed by the Audit Committee and the Board has also considered the same |
|             | (D) Proceeds from Public Issues, Rights issue, Preferential issues, etc. | 49(IVD) | N.A | No monies were raised through any public rights or preferential issues.  |
|             | (E) Remuneration of Directors  | 49(IVE) | Yes | No such remuneration is paid to Directors.   |
|             | (F) Management   | 49(IVF) | Yes | Will be complied in the Annual Report for the financial year ended on 31 <sup>st</sup> March 2011.   |
|             | (G) Share Holders  | 49(IVG) | Yes | Will be complied with the AGM/EGM  |
| <b>V.</b>   | <b>CEO/CFO Certification</b>   | 49(V)   | Yes | Will be complied in the Annual Report for the financial year ended on 31 <sup>st</sup> March 2011.   |
| <b>VI.</b>  | <b>Report on Corporate Governance</b>                                    | 49(VI)  | Yes | Will be complied in the Annual Report for the financial year ended on 31 <sup>st</sup> March 2011.   |
| <b>VII.</b> | <b>Compliance</b>  | 49(VII) | Yes | Will be complied in the Annual Report for the financial year ended on 31 <sup>st</sup> March 2011.   |

Date: January 10, 2011

For and on behalf of  
**NAVKETAN MERCHANTS LIMITED**

Sd/-  
**Dilip Das**  
**(Authorized Signatory)**