

ORIENT BELL LIMITED

Regd. off.: 8, Industrial Area, Sikandrabad- 203205, Dist Bulandshahr, (U.P.)

Corporate off: Iris House 16, Business Centre, Nangal Raya, New Delhi - 110046.

Quarterly Compliance Report on Corporate Governance:

Name of the Company : Orient Bell Limited

Quarter ended on : 31.12.2013

Particulars	Clause of Listing Agreement	Compliance status (YES / NO / N.A.)	Remarks
1	2	3	4
I. Board of Directors	49 I		
(A) Composition of Board	49 (I A)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (I B)	Yes	
(C) Other Provisions as to Board and Committees	49 (I C)	Yes	
(D) Code of Conduct	49 (I D)	Yes	
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (II A)	Yes	
(B) Meeting of Audit Committee	49 (II B)	Yes	As per
(C) Powers of Audit Committee	49 (II C)	Yes	Annexure
(D) Role of Audit Committee	49 (II D)	Yes	
(E) Review of Information by Audit Committee	49 (II E)	Yes	
III. Subsidiary Companies	49 (III)	N.A	
IV. Disclosures	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, rights, preferential issues etc.	49 (IV D)	N.A.	
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
V. CEO / CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

ANNEXURE

Details of Clause 49 I – Board of Directors

(A) Composition of Board :

The Board consists of Eight Directors, as follows:

Category	No. of Directors	Name of Directors
Promoter / Executive Directors	2	Mr. Mahendra K. Daga Mr. Madhur Daga
Non-executive and Independent Directors	5	Mr. R. N. Bansal Mr. Dhruv M. Sawhney Mr. N. R. Srinivasan Mr. P.M. Mathai Ms. Madhavi Kapadia
Non-executive and Non-independent Director(s)	1	Mr. K. M. Pai

The Chairman of the Board is an Executive Director.

None of the Non-executive and Independent Director of the Company has:

- (a) any material pecuniary relationship or transactions with the Company, its promoters, its senior management and Associate Companies which affects independence of the director;
- (b) any relationship with the promoters or persons occupying management positions at the Board level or at any level below before the Board;
- (c) been an executive of the Company in immediately 3 financial years;
- (d) partnership or is in employment of the statutory audit firm or internal audit firms as well as legal / constitution firm that is associated with the Company;
- (e) relation with the company of the supplier, service provider or customer ;
- (f) Substantial shareholding of the Company.

Ms. Madhavi Kapadia was nominated as Director on the Board of Directors of the Company by IDBI Bank Limited w.e.f. 06.06.2012

(B) Non-executive Directors' Compensation & disclosures:

No compensation other than sitting fees for attending Board/ Committee Meetings and Commission as may be decided by the Board for each Financial Year is being paid to the Non-executive Directors.

The Members at 33rd Annual General Meeting held on 31 August, 2010, had approved the payment of Commission to the Non- Executive Directors up to 1% of the net profit of the Company calculated in accordance with the provisions of Section 349 and authorized Board of Directors to determine the amount of commission which shall be payable to each such Non-executive Director in each year commencing from financial year 2009-10 until financial year 2013-14.

(C) Other provisions as to Board and Committees:

We are always conducting at least four Board Meetings in a year, with a maximum time gap as prescribed in clause 49 between two meetings and shall continue the same. The details of the Board Meetings held between 01.10.2013 to 31.12.2013 are as follows:

Particulars	Meetings held on
3 rd Quarter	13.11.2013

None of the directors of the Company is a member in more than ten committees or act as Chairman of more than five committees across all Companies in which he is a director.

(D) Code of Conduct:

The Board of Directors in their meeting held on 29.10.2005 has laid down a Code of Conduct for all board members and senior management of the Company and the same has also been posted on the website of the Company. All Board members and senior management personnel affirm compliance with the code on an annual basis.

Details of Clause 49 II – Audit Committee

(A) Qualified and Independent Audit Committee

The Company has an Audit Committee comprising of five members, out of whom three are Non-executive and independent Directors and one is non-executive and non independent, the details as follows:

Name of Member	Category
Mr. R. N. Bansal, Chairman	Non-executive and Independent Director
Mr. N. R. Srinivasan	Non-executive and Independent Director
Mr. P. M. Mathai	Non-executive and Independent Director
Mr. K. M. Pai	Non-executive and Non Independent Director
Mr. Mahendra K. Daga	Executive Director

All the members of Audit Committee are financially literate and Mr. R. N. Bansal, Chairman has financial management expertise. The Company Secretary acts as Secretary to the Committee.

(B) Meeting of Audit Committee:

During the period from 01.10.2013 to 31.12.2013, the committee met once on 13.11.2013.

(C) Powers of Audit Committee:

The powers of the Audit Committee includes

- (5) To investigate any activity within its terms of reference.
- (6) To seek information from any employee.
- (7) To obtain outside legal or other professional advice.
- (8) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Role of Audit Committee:

The role of Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement, besides other terms, which may be referred by the Board of Directors, from time to time. The committee interacts with the statutory & internal auditors from time to time.

(E) Review of information by Audit Committee:

The Audit Committee reviewed the information as mentioned in clause 49 of the listing agreement.

Details of Clause 49 III – Subsidiary Companies

The Company does not have any “material non-listed Indian subsidiary”, as on 31.12.2013. Hence, the provisions of sub clauses (i),(ii) and (iii) of Clause 49 III are not applicable.

Elit International Trading (HK) Pvt. Ltd. incorporated in Honk Kong, is the wholly owned subsidiary of the Company

Details of Clause 49 IV – Disclosures

(A) Basis of related party transactions :

Always placed and Reviewed by Audit Committee at the Meeting.

(B) Disclosure of Accounting Treatment :

The Company prepares the financial statements in accordance with Accounting Standards.

(C) Board Disclosures :

In the Board Meetings, the Company places the information as suggested in Annexure I A of the revised clause 49.

(D) Proceeds from public issues, rights issues, preferential issues etc. :

No public issue, rights issue, preferential issue etc. made by the company during the quarter ended 31.12.2013.

(E) Remuneration of Directors :
Complied in the 36th Annual Report (2012-2013)

(F) Management :
Complied in the 36th Annual Report (2012-2013)

(G) Shareholders :
Complied in the 36th Annual Report (2012-2013)

Details of Clause 49 V – CEO / CFO Certification

For the Annual Financial Statements relating to financial year 2012-2013, Chairman & Managing Director and the Vice President (Accounts and Finance), heading finance department of the Company, inter alia duly certified to the Board at its Meeting about the adequacy of financial statements.

Details of Clause 49 VI – Report on Corporate Governance

Complied in the 36th Annual Report (2012-2013). The Company always submits the quarterly compliance report to the stock exchanges within prescribed time and in the prescribed format.

Details of Clause 49 VII – Compliance

The Company has obtained a certificate dated 19.07.2013 from M/s S. R. Dinodia & Co., Chartered Accountants, Statutory Auditors of the Company regarding compliance on corporate governance requirements. The same has been incorporated in the 36th Annual Report (2012-2013).