

**Recognised Golden Status Trading House**

Corporate Office : "Nahar Tower", Industrial Area-A, Ludhiana - 141 003 (INDIA)

Regd. Office : 373, Industrial Area-A, Ludhiana - 141 003 (INDIA)

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## QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company: NAHAR SPINNING MILLS LIMITED

Quarter ending on : 30/06/2012

| Particulars                                                              | Clause of Listing agreement | Compliance Status Yes/No | Remarks                       |
|--------------------------------------------------------------------------|-----------------------------|--------------------------|-------------------------------|
| <b>I. Board of Directors</b>                                             | 49I                         | YES                      |                               |
| (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)                     | YES                      |                               |
| (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)                    | N.A                      |                               |
| <b>IV. Disclosures</b>                                                   | 49 (IV)                     | YES                      |                               |
| (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)                   | N.A.                     |                               |
| (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                      | For Nahar Spinning Mills Ltd. |
| <b>VII. Compliance</b>                                                   | 49 (VII)                    | YES                      |                               |

*[Signature]*  
Company Secretary

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