

# V-GUARD INDUSTRIES LIMITED

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## Quarterly Compliance Report on Corporate Governance

Name of the Company : V-Guard Industries Limited  
Quarter ending : 30<sup>th</sup> September, 2014

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>I. Board of Directors</b>	49 (I)		
(A) Composition of Board	49 (IA)	YES	The present Board of the Company consists of 8 Directors, of which 4 are Independent Directors. Mrs. Joshna Mithun was appointed as an Additional Director with effect from 2 <sup>nd</sup> May, 2014 and she was appointed as a Director of the Company in the non-executive category by the members of the Company in their Annual General Meeting held on 29 <sup>th</sup> July, 2014 in accordance with the provisions of Section 161 of the Companies Act, 2013. Mr. Ullas K Kamath, Mr. C J George, Mr. A K Nair and Mr. Cherian N Punnoose were appointed as Independent Directors for a term of 5 years w.e.f. 29 <sup>th</sup> July 2014 in accordance with the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Mr. Kochouseph Chittilappilly, Promoter and Whole-time Director is the Chairman of the Board.
(B) Non-executive Directors' compensation & disclosures	49 (IB)	YES	The Non-Executive Directors of the Company are paid sitting fees, which is duly approved by the Board of Directors of the Company and the same is within the limits specified in Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) General Rules 2014.

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(C) Other provisions as to Board and Committees	49 (IC)	YES	The Board meets once in every quarter and all the information given in Annexure – IA are placed before the meeting. The Directors are reporting their directorships in other companies, position in various committees and changes therein if any, immediately to the Company. The Board also reviews compliance reports of all laws applicable to the Company on a quarterly basis and steps taken by the Company to rectify instances of non-compliances, if any.
(D) Code of Conduct	49 (ID)	YES	The Company has laid down the code of conduct for all the Board members and senior management of the Company and the same is also posted on the website of the Company. The existing code of conduct will be amended in line with the provisions of clause 49 of the Listing Agreement.
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	The Audit Committee of the Company consists of three Non-Executive Independent Directors and one Executive Director, all having expertise and good experience in the areas of Finance. Mr. Cherian N Punnoose, Chartered Accountant, is the Chairman of the Audit Committee and he was present in the 18 <sup>th</sup> Annual General Meeting of the Company to answer shareholders' queries.
(B) Meeting of Audit Committee	49 (IIB)	YES	Audit Committee members meet periodically to review the quarterly unaudited financial results of the Company and the Internal Audit reports.
(C) Powers of Audit Committee	49 (IIC)	YES	The Audit Committee exercises all the powers conferred on it by the Board.
(D) Role of Audit Committee	49 II (D)	YES	The Audit Committee members carry out the functions meticulously and review the entire financial activities of the Company including internal audit and control measures. The Board has in its meeting held on 29 <sup>th</sup> July, 2014, amended the terms of reference of Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

E) Review of Information by Audit Committee	49 (IIE)	YES	All mandatory items are invariably reviewed by the Audit Committee members at their meetings.
<b>III. Subsidiary Company</b>	49 (III)	N A	No subsidiary Companies
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions	49(IV)(A)	YES	A statement detailing transactions entered with the related parties in the ordinary course of business is placed before the Audit Committee of the Company on a quarterly basis. The Company has placed before the meeting the details of existing related party transactions for approval by Audit Committee. As per the requirements of amended Clause 49 of the Listing Agreement, a policy for material related party transaction will be formulated and placed for before the ensuing meeting of the Board for its approval.
(B) Disclosure of Accounting Treatment	49(IV B)	YES	Presently, there is no change in the Accounting policies and Standards adopted by the Company.
(C) Board Disclosures- Risk Management	49 (IV C)	YES	The various risks associated with the operations of the Company and the steps taken to minimize the same are periodically placed before the Audit Committee for its review and recommendation made by the Committee, if any, are placed before Board. The existing Risk Committee will be re-constituted and risk policy will be amended in accordance with the provisions of amended Clause 49 of the Listing Agreement.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	NA	The Company has issued 9,392 equity shares of Rs.10/- each to eligible employees who have exercised the options under Employees Stock Option Scheme, (ESOS) 2013 during the quarter under review.
(E) Remuneration of Directors	49 (IV E)	YES	Details relating to payment of remuneration to Directors have been disclosed in the Annual Report for the year 2013-14 of the Company.





(F) Management	49 (IV F)	YES	The Management Discussion and Analysis Report has been included in the Annual Report 2013-14 covering various aspects of Industry structure and development, segment and product wise performance, opportunities and threats, outlook, risks assessment and minimization procedures.
(G) Shareholders	49 (IV G)	YES	The Company has duly constituted Stakeholders Relationship and Share Transfer Committee under the Chairmanship of an Independent Director to take care of all the matters concerning the investors' interest. Details of Directors seeking appointment and re-appointment, their brief resume and nature of expertise in specific functional areas, name of the Companies in which they holds directorship & membership of the committees of the board etc., have been incorporated in the Annual Report for the year 2013-14.
<b>V. CEO/CFO Certification</b>	49 (V)	YES	Certificate signed by the Managing Director and CFO has been obtained and the compliance of same has been mentioned in the Annual Report for the year 2013-14.
<b>VI. Report on Corporate Governance</b>	49 (VI)	YES	A detailed compliance report on Corporate Governance has been included in the Annual Report 2013-14. Further, Corporate Governance Report for every quarter is sent to the Stock Exchanges.
<b>VII. Compliance</b>	49 (VII)	YES	The Company has obtained a certificate on compliance of conditions of Corporate Governance for the year 2013-14 from the Statutory Auditors M/s. S R Batliboi & Associates LLP, Chartered Accountants and the same has been included in the Annual Report for the year 2013-14.

Yours faithfully,  
For V-Guard Industries Limited

Mithun K Chittilappilly  
Managing Director