

# V-GUARD INDUSTRIES LTD.

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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, 2010**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>I. Board of Directors</b>	49 1		
(A) Composition of Board	49 (IA)	YES	The Company had restructured the Board during the Quarter ended 30 <sup>th</sup> June 2010. The present Board of the company consists of 6 directors, of which three are independent directors. The chairman of the Board is an Independent Director.
(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 10-B of Companies (Central Government) General Rules & Forms, 1956. The shareholders at their 14 <sup>th</sup> Annual General Meeting held on 26 <sup>th</sup> July 2010 ratified the proposal of paying commission to Mr. P G R Prasad, an independent director, presently, occupying the position of the Chairman of the Board, for a period of five years commencing from 1 <sup>st</sup> April 2010 to 31 <sup>st</sup> March, 2015, at a rate not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Sections 349 & 350 of the Act.





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(C) Other provisions as to Board and Committees	49 (IC)	YES	The Directors of the company meet periodically and are reporting their directorships, position in various committees and changes therein if any, immediately to the Company.
(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. A declaration on the same is obtained from the Managing Director & is included in the Annual Report for the year 2009-10.
<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. The Chairman of the Audit Committee is an Independent Director.
(B) Meeting of Audit Committee	49 (IIB)	YES	Audit committee members meet periodically to review the quarterly unaudited 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 operations of the Company including internal audit and internal control measures. Appointment of Chief Financial officer has been done with the approval of the Audit Committee.





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(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 Companies</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 and all transactions entered into for the entire financial year is given in Schedule 21 i.e. the Notes on Accounts in the Annual Report for the year 2009-10.
(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 Board and the same is reviewed by the Board.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	YES	Statement showing the utilizations of the proceeds of the IPO and the investment details of the unutilized funds is placed before the Audit committee on a quarterly basis and the same also forms part of the published financial results. A Deployment statement showing the utilized and the unutilized amount is included u/c 5 of the notes on Accounts (Schedule 21) of the Annual Report 2009-10.





(E) Remuneration of Directors	49 (IV E)	YES	Details relating to payment of remuneration to Directors are disclosed in the Annual Report for the year 2009-10 of the company.
(F) Management	49 (IV F)	YES	The Management Discussion and Analysis Report is included in the Annual Report 2009-10 covering various aspects of Industry structure and development, segment and product wise performance, opportunities and threats, outlook, risks and concerns, Internal control measures etc.
(G) Shareholders	49 (IV G)	YES	The company has duly constituted Shareholders' Grievance/Transfer Committee under the chairmanship of an Independent director to take care all the matters concerning the investors' interest. Details of appointment of the new director and director seeking re-appointment, their brief resume and nature of expertise in specific functional areas, name of the companies in which they hold directorship & membership of the committees of the board etc., are incorporated in the Annual Report for the year 2009-10.
<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 is mentioned in the Annual Report for the year 2009-10
<b>VI. Report on Corporate Governance</b>	49 (VI)	YES	A detailed compliance report on Corporate Governance is included in the Annual Report 2009-10. 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 2009-10 from the statutory auditors M/s. Deloitte Haskins & Sells, Chartered Accountants and the same is included in the Annual Report for the year 2009-10.
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**Yours faithfully**  
**For V-Guard Industries Limited**

**Jayasree K**  
**Company Secretary**