

-GUARD INDUSTRIES LTD.

Registered Office: 33/2905 F, Vennala High School Road,
Vennala P.O., Kochi - 682 028, Kerala, India

Tel : +91 484 3095000

Fax: +91 484 3005100, 3005111

Email: mail@vguard.in



Quarterly Compliance Report on Corporate Governance

Name of the Company: V-Guard Industries Limited
Quarter ending: 30th September 2011

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	49 1		
(A) Composition of Board	49 (IA)	YES	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 th Annual General Meeting held on 26 th 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 st April 2010 to 31 st 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.





(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.
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	The Audit Committee of the Company consists of three non-executive Independent Director 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 activities of the Company including internal audit and control measures. Appointment of Chief Financial officer has been done with the approval of the Audit Committee.





V-GUARD[®]

E) Review of Information by Audit Committee	49 (IIE)	YES	All mandatory items are invariably reviewed by the Audit Committee members at their meetings.
III. Subsidiary Company	49 (III)	N A	No subsidiary companies
IV. Disclosures	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.
(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 before its review and recommendation made by the Committee, if any, are placed before Board.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	YES	The Company has fully utilized the issue proceeds as on 31.03.2011. Hence, the compliance of provisions relating to the sub-clause does not apply.
(E) Remuneration of Directors	49 (IV E)	YES	Details relating to payment of remuneration to Directors had been disclosed in the Annual Report for the year 2010-11 of the Company.





V-GUARD

(F) Management	49 (IV F)	YES	The Management Discussion and Analysis Report had been included in the Annual Report 2010-11 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 Shareholders Grievance/Share Transfer Committee under the Chairmanship of an Independent Director to take care of all the matters concerning the investors' interest. Details of Director seeking re-appointment, his brief resume and nature of expertise in specific functional areas, name of the companies in which he holds directorship & membership of the committees of the board etc., had been incorporated in the Annual Report for the year 2010-11.
V. CEO/CFO Certification	49 (V)	YES	Certificate signed by the Managing Director and CFO has been obtained and the compliance of same had been mentioned in the Annual Report for the year 2010-11.
VI. Report on Corporate Governance	49 (VI)	YES	A detailed compliance report on Corporate Governance had been included in the Annual Report 2010-11. Further, Corporate Governance Report for every quarter is sent to the Stock Exchanges.





VII. Compliance	49 (VII)	YES	The Company has obtained a certificate on compliance of conditions of Corporate Governance for the year 2010-11 from the Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants and the same had been included in the Annual Report for the year 2010-11.
------------------------	----------	-----	--

**Yours faithfully,
For V-Guard Industries Limited**

**Jayasree K
Company Secretary**