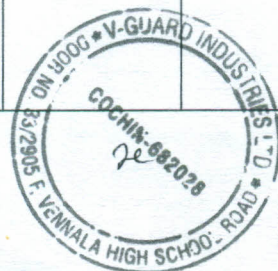


**V-GUARD**

### Quarterly Compliance Report on Corporate Governance

Name of the Company : V-Guard Industries Limited  
Quarter ending : 30<sup>th</sup> September, 2012

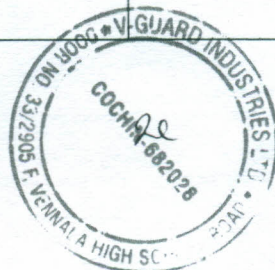
Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
<b>I. Board of Directors</b>	49 1		
(A) Composition of Board	49 (IA)	YES	The present Board of the Company consists of 6 Directors, of which three are Independent Directors. The Chairman of the Board is an Independent Director.
(B) 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. With the approval of the members, the Company is 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.
(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 the various steps taken by the Company to rectify instances of non-compliance.





**V-GUARD**

(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.
<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 Director and one Executive Director, all having expertise and good experience in the areas of Finance. The members of Audit Committee in their meeting held on 17 <sup>th</sup> July, 2012, appointed Mr. A K Nair, Independent Director and member of the Audit Committee, as Chairman of the Audit Committee and he was present for the 16 <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 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.
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.

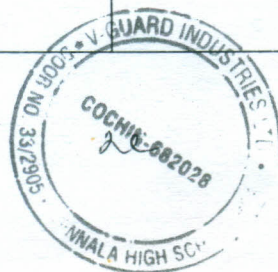






V-GUARD

(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 the Board.
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	NA	As the Company has not raised any fund during the quarter under review, 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 2011-12 of the Company.
(F) Management	49 (IV F)	YES	The Management Discussion and Analysis Report had been included in the Annual Report 2011-12 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 Directors seeking appointment / 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., had been incorporated in the Annual Report for the year 2011-12.





<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 had been mentioned in the Annual Report for the year 2011-12.
<b>VI. Report on Corporate Governance</b>	49 (VI)	YES	A detailed Compliance Report on Corporate Governance had been included in the Annual Report 2011-12. 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 2011-12 from the Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants and the same had been included in the Annual Report for the year 2011-12.

Yours faithfully  
For V-Guard Industries Limited

Jayasree K  
Company Secretary