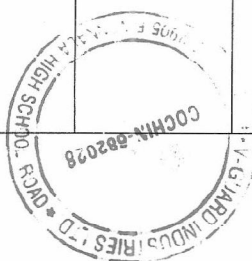




Quarterly Compliance Report on Corporate Governance

Name of the Company : V-Guard Industries Limited
Quarter ending : 30th June, 2014

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 8 Directors, of which 4 are Independent Directors. Mr. Ullas K Kamath and Mrs. Joshna Mithun were appointed as Additional Directors on the Board of the Company effective from 2 nd May, 2014 in the categories of independent and non-executive respectively and they will hold office upto the date of the ensuing Annual General Meeting. 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. Shareholders of the Company in their 17 th Annual General Meeting approved payment of commission to Mr. Cherian N Punnoose, Non-Executive Director, not exceeding 1% of the net profit of the Company, for a period of three years w.e.f 01 st November, 2012.
(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 are taken by the Company to rectify instances of non-compliances, if any.



**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.
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 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.
(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.
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.





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NO. 312905 F.V. ANNALA HIGH SCHOOL ROAD

**V-GUARD**

V. CEO/CFO Certification	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.
VI. Report on Corporate Governance	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.
VII. Compliance	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