

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company : VA TECH WABAG LIMITED

Quarter ending on : 31st March, 2015

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
II Board of Directors	49 II		
(A) Composition of Board	49 (IIA)	Yes	<p>Complied with.</p> <p>The Board of Directors of the Company has Four Independent Directors viz., Mr. Bhagwan Dass Narang Mr. Sumit Chandwani Ms. Revathi Kasturi and Mr. Jaithirth Rao, out of the Total Board strength of Five Directors.</p> <p>Ms. Revathi Kasturi is on the Board of the Company and the Company has complied with the provisions of Women Director.</p>
(B) Independent Directors	49 (IIB)	Yes	<p>Complied with.</p> <p>The Board of Directors of the Company has Four Independent Directors viz., Mr. Bhagwan Dass Narang, Mr. Sumit Chandwani, Ms. Revathi Kasturi and Mr. Jaithirth Rao.</p>

			<p>The declaration of Independence duly signed has been received from all the directors.</p> <p>All the Independent Directors of the Company are in compliance with respect to the limit on number of directorships.</p> <p>Tenure of Independent Directors fixed at the 19th AGM held on 21st July, 2014 for a period of three years upto the conclusion of 22nd AGM to be held in the year 2017.</p> <p>The formal Letter of appointment issued to the Independent Directors along with the detailed profile of the Independent Directors is updated on the Company's website www.wabag.com</p> <p>The Company shall disclose the criteria for Performance Evaluation as laid down by the Nomination and Remuneration Committee in its next Annual Report.</p> <p>Separate meetings of the Independent directors held on 07.02.2015.</p>
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			<p>All new directors inducted to the Board are introduced to the Company's culture with appropriate orientation sessions. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.</p> <p>Periodic Presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.</p>
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	<p>Complied with.</p> <p>The Company has not issued any stock options to any of the Independent directors on the Board.</p> <p>The Company has amended its Employee Stock Option Schemes to exclude the Independent Directors from participating in the Stock options schemes of the Company.</p>

			<p>The Shareholders at the 19th AGM held on 21st July, 2014 have approved the commission payable to the Non-executive Directors. The commission has been determined in compliance with the provisions of the Companies Act, 2013 and approved by the Board of Directors at their meeting held on 24th May, 2014.</p>
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	<p>The Code of Conduct for the Board of Directors and the Senior Management is available on the website of the Company www.wabag.com</p>
(F) Whistle Blower Policy	49 (IIF)	Yes	<p>The company has formulated a whistle blower policy and the same has been approved by the Board of Directors at their meeting held on 24th May, 2014. The said policy is also available on the website of the Company www.wabag.com.</p> <p>The details of establishment of whistle blower mechanism shall be disclosed in the next Board's Report.</p>

III. Audit Committee	49 (III)		
(A) Qualified & Independent Committee	49 (IIIA)	Yes	
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
IV. Nomination and Remuneration Committee	49 (IV)	Yes	<p>Complied with. The Board at its meeting held on 24th May 2014 has reconstituted the Nomination and Remuneration Committee in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.</p> <p>The Company shall disclose the Remuneration policy and the evaluation criteria in its next Annual Report.</p>
V. Subsidiary Companies	49 (V)	Yes	<p>Complied with. The Company does not have a material non-listed Indian Subsidiary.</p>
VI. Risk Management	49 (VI)	NA	<p>The provisions of Clause 49(VI)(C) is not applicable to the Company, since the Company is not one among the top 100 listed companies.</p>
VII. Related Party Transactions	49 (VII)	Yes	<p>There was no material transaction with Related Parties during the period under disclosure.</p>

VIII. Disclosures	49 (VIII)		
(A) Related party transactions	49 (VIIIA)	Yes	<p>The amended policy on dealing with Related Party Transactions was approved by the Audit Committee and noted by the Board at their meetings held on 8th November, 2014.</p> <p>The said policy is also available on the website of the Company www.wabag.com and the weblink thereto shall be provided in the next Annual Report.</p>
(B) Disclosure of Accounting Treatment	49 (VIIIB)	NA	No different accounting treatment adopted for preparation of Financial Statements.
(C) Remuneration of Directors	49 (VIIIC)	Yes	Will be disclosed in the next Annual Report.
(D) Management	49 (VIIID)	Yes	<p>Will be disclosed in the next Annual Report.</p> <p>The Code of Conduct for the Board of Directors and the Senior Management is available on the website of the Company www.wabag.com</p>
(E) Shareholders	49 (VIIE)	Yes	<p>Complied with.</p> <p>The Quarterly results and presentations made by the Company to analysts has been updated on the website of the Company www.wabag.com</p>

			<p>The Board renamed the ‘Share Allotment / Transfer cum Investors’ Grievance Committee’ to ‘Stakeholders Relationship Committee’ and widened its terms of reference in compliance with the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.</p> <p>The Stakeholders Relationship Committee has delegated the authority for approving transfer, transmission etc., of the Company’s securities to the Managing Director / Chief Financial Officer / Company Secretary.</p> <p>A summary of transfer / transmission of securities of the Company so approved by the Managing Director / Chief Financial Officer / Company Secretary shall be placed at every Committee meeting.</p>
(F) Proceeds from public issues, rights issue, preferential issues, etc	49 (VIIF)	NA	There are no pending proceeds from public issues, rights issue, preferential issues, etc for which disclosure is required to be made.

IX. CEO/CFO Certification	49 (IX)	Yes	
X. Report on Corporate Governance	49 (X)	Yes	<p>Quarterly Compliance Report is submitted every quarter.</p> <p>Corporate Governance section will be disclosed in the next Annual Report.</p>
XI. Compliance	49 (XI)	Yes	Will be disclosed in the next Annual Report.

Date: 09th April, 2015

For VA TECH WABAG LIMITED

Rajiv Balakrishnan
Company Secretary &
DGM Investor Relations