

Annexure - 1**Quarterly Compliance Report on Corporate Governance**Name of the Company : **Varun Shipping Company Limited**Quarter Ended on : **31st March, 2011**

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
I Board of Directors	49 I	Yes	
(A) Composition of Board	49(IA)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees	49(IC)	Yes	
(D) Code of Conduct	49(ID)	Yes	The declaration by the CEO of the company affirming compliance by all Board members and senior management personnel with the Code was included in the Annual Report of the company for the year ended 31 st March, 2010, which was duly adopted by the shareholders at the Annual General Meeting held on 4 th August, 2010.
II Audit Committee	49 II	Yes	
(A) Qualified & Independent Audit Committee	49(IIA)	Yes	
(B) Meeting of Audit Committee	49(IIB)	Yes	
(C) Powers of Audit Committee	49(IIC)	Yes	
(D) Role of Audit Committee	49(IID)	Yes	
(E) Review of Information by Audit Committee	49(IIE)	Yes	
III Subsidiary Company	49(III)	N.A.	Not Applicable as company does not have any subsidiary

IV Disclosures	49(IV)	Yes	
(A) Basis of related party transactions	49(IVA)	Yes	
(B) Disclosure of Accounting Treatment	49(IVB)	Yes	
(C) Board Disclosures	49(IVC)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues, etc.	49(IVD)	Yes	
(E) Remuneration of Directors	49(IVE)	Yes	The details stated in sub clause (i), (ii), (iii) and (iv) of clause IV(E) were included in the Annual Report of the company for the year ended 31 st March, 2010 which was duly adopted by the shareholders at the Annual General Meeting held on 4 th August, 2010 and details stated in sub clause (v) of clause IV(E) were included in the Notice of the said Annual General Meeting.
(F) Management	49(IVF)	Yes	The details stated in sub-clause (i) were included in the Annual Report of the company for the year ended 31 st March, 2010 which was duly adopted by the shareholders at the Annual General Meeting held on 4 th August, 2010.
(G) Shareholders	49(IVG)	Yes	Complied with including clause (i) which was included in the Notice of the Annual General Meeting of the company for the year ended 31 st March, 2010, which was held on 4 th August, 2010.

V CEO/CFO Certification	49(V)	Yes	
VI Report on Corporate Governance	49(VI)	Yes	<p>Separate section on Corporate Governance, as stated in sub-clause (i) of Clause VI was included in the Annual Report of the company for the year ended 31st March, 2010 which was duly adopted by the shareholders at the Annual General Meeting held on 4th August, 2010.</p> <p>Quarterly Compliance Report to Stock Exchanges, as stated in sub-clause (ii) of Clause VI is being filed by the company in the prescribed format, duly signed by the Compliance Officer/Chief Executive Officer, with all the Stock Exchanges where the company's shares are listed, within 15 days from the close of each quarter.</p>
VII Compliance	49(VII)	Yes	<p>Certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, was annexed with Directors' Report included in the Annual Report of the company, for the year ended 31st March, 2010, which was duly adopted by the shareholders at the Annual General Meeting held on 4th August, 2010.</p> <p>A copy of the said certificate was forwarded to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.</p>