

# Corporate Governance Report

This report on corporate governance forms part of the Annual Report. Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmark of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

## 1. COMPANY'S PHILOSOPHY:

- Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".
- Total customer focus in all operational areas.
- Products to be of best available quality for premium market segments through TQM.
- Zero defect implementation.
- Global orientation targeting – at least 20% production for exports.
- Integrated diversification/ product range expansion.
- World class manufacturing facilities with most modern R & D and process technology.
- Faith in individual potential and respect for human values.
- Encouraging innovation for constant improvements to achieve excellence in all functional areas.
- Accepting change as a way of life.
- Appreciating our role as a responsible corporate citizen.

## 2. BOARD OF DIRECTORS/ BOARD MEETINGS:

### i. Composition as on March 31<sup>st</sup>, 2019

The Composition of Board and category of Directors are as follows:-

Category	Name of Directors
Promoter Directors	# S.P. Oswal- Chairman & Managing Director # Suchita Jain- Vice-Chairperson & Joint Managing Director # Sachit Jain-Non-Executive Director
Executive Non-Independent Director	Neeraj Jain- Joint Managing Director
Independent Directors	Prafull Anubhai A.K. Kundra D.B. Jain S.K. Bijlani Parampal Singh R.M. Malla Harpreet Kaur Kang
Non- Executive Non- Independent Director	D.L. Sharma

### Relationship Inter-se:

# Except Mr. S.P. Oswal, Mr. Sachit Jain and Mrs. Suchita Jain, none of the Director of the Company is related to any other Director of the Company.

### ii. Board Meetings:

During the financial year 2018-2019, the Board met 7 (Seven) times on the following dates:

- 11<sup>th</sup> May, 2018
- 12<sup>th</sup> May, 2018
- 13<sup>th</sup> August, 2018
- 8<sup>th</sup> October, 2018
- 12<sup>th</sup> November, 2018
- 6<sup>th</sup> February, 2019
- 25<sup>th</sup> March, 2019

**iii. Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship/Chairmanship in Indian Public Limited Companies and names of other Listed Entities where the person is director and category of directorship therein are as follows:-**

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in other Companies	Names of other Listed Entities where the person is director	Category of Directorship in other listed entities	No. of Committee memberships in other Companies	Total No. of Board Chairmanship in other Companies	Total No. of Committee Chairmanship in other companies
S.P. Oswal	6	Yes	7	Vardhman Acrylics Limited Vardhman Holdings Limited	Non-Executive Director Executive Director	-	3	-
Sachit Jain	2	No	4	Vardhman Holdings Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Non-Executive Director Executive Director Non-Executive Director	2	-	-
Suchita Jain	7	Yes	7	Vardhman Holdings Limited Vardhman Special Steels Limited	Non-Executive Director Non-Executive Director	1	-	-
Neeraj Jain	6	Yes	5	-	-	-	-	-
D.L. Sharma	6	No	9	Vardhman Acrylics Limited	Non-Executive Director	2	-	-
Prafull Anubhai	7	Yes	2	Gruh Finance Limited Unichem Laboratories Limited	Non-Executive Director Non-Executive Director	3	-	2
A. K Kundra	7	No	2	Punjab Alkalies & Chemicals Limited	Non-Executive Director	-	-	-
D.B. Jain	7	No	6	-	-	-	-	-
R.M. Malla	7	No	7	IOL Chemicals & Pharmaceuticals Limited Bharat Financial Inclusion Limited Central Depository Services (India) Limited Waree Technologies Limited	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director	4	-	1
S.K. Bijlani	5	No	1	-	-	1	-	-
Parampal Singh	6	No	-	-	-	-	-	-
Harpreet Kaur Kang*	1	No	-	-	-	-	-	-

\* Mrs. Harpreet Kaur Kang was appointed as an Additional Director of Company w.e.f. 6<sup>th</sup> February, 2019.

Video conferencing facility was provided to facilitate Directors travelling abroad or present at other locations to participate in the Board meetings.

### 3. BOARD COMMITTEES:

#### i. Board Committees, their composition and terms of reference are provided as under:

Name of Committee	Composition	Terms of Reference
Audit Committee	Prafull Anubhai (Chairman) A.K. Kundra D.B. Jain D.L. Sharma S.K. Bijlani	<ul style="list-style-type: none"> <li>The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> </ul>
Nomination and Remuneration Committee	Prafull Anubhai (Chairman) S.P. Oswal A.K. Kundra D.L. Sharma	<ul style="list-style-type: none"> <li>The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Formulated and recommended Nomination and Remuneration Policy.</li> <li>The Nomination &amp; Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) of the Companies Act, 2013.</li> <li>Nomination and Remuneration Policy of the Company forms part of the Board Report as <b>Annexure I</b>.</li> </ul>
Corporate Social Responsibility Committee	A.K. Kundra (Chairman) D.L. Sharma Neeraj Jain Sachit Jain	<ul style="list-style-type: none"> <li>Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to provisions of Schedule VII of the Companies Act, 2013 read with CSR Rules, 2014. The CSR policy may be accessed on the Company's website at the link: <a href="https://www.vardhman.com/user_files/investor/d622b1c8d626fabfcec09e145cb1b4e9f4884761436264563.pdf">https://www.vardhman.com/user_files/investor/d622b1c8d626fabfcec09e145cb1b4e9f4884761436264563.pdf</a></li> <li>Recommends expenditure to be incurred for CSR activities/project and ensures effective monitoring of CSR policy of the Company from time to time.</li> <li>The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as <b>Annexure III</b>.</li> </ul>
Stakeholder's Relationship Committee	A.K. Kundra (Chairman) D.L. Sharma Sachit Jain	<ul style="list-style-type: none"> <li>The Committee reviews and ensures redressal of investor grievances.</li> <li>The Committee noted that during the year the Company received 23 complaints from the investors and the same had been duly resolved by the Company. There is no pendency in respect of shares received for transfer during 2018-2019 except those that are disputed/ sub-judice.</li> </ul>

Name of Committee	Composition	Terms of Reference
Risk Management Committee	Prafull Anubhai (Chairman) Neeraj Jain D. K. Sindwani Rajeev Thapar	<ul style="list-style-type: none"> <li>The Risk Management Policy of the Company aims to maximise opportunities in all activities and to minimise adversity.</li> <li>The Risk Management framework includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.</li> <li>The Risk Management policy may be accessed on the Company's website at the link: <a href="https://www.vardhman.com/user_files/investor/a4c0a8b00e407cd507553ea7db7f06e89de1272a1436265025.pdf">https://www.vardhman.com/user_files/investor/a4c0a8b00e407cd507553ea7db7f06e89de1272a1436265025.pdf</a></li> </ul>

Mr. Sanjay Gupta, Company Secretary and Compliance Officer of the Company, is the Secretary of all Board Committees constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## ii. Meetings of Board Committees held during the year and Director's attendance:

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders' Relationship
<b>Meetings held</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>
S.P. Oswal	N.A.	N.A.	3	N.A.
Sachit Jain	N.A.	0	N.A.	1
Suchita Jain	N.A.	N.A.	N.A.	N.A.
Neeraj Jain	N.A.	4	N.A.	N.A.
D.L. Sharma*	3	2	0	1
Prafull Anubhai	4	N.A.	4	N.A.
A. K Kundra	4	4	4	1
D.B. Jain	4	N.A.	N.A.	N.A.
R.M. Malla	N.A.	N.A.	N.A.	N.A.
S.K. Bijlani	2	N.A.	N.A.	N.A.
Parampal Singh	N.A.	N.A.	N.A.	N.A.
Harpreet Kaur Kang	N.A.	N.A.	N.A.	N.A.

N.A.- Not a member of the Committee.

\* Mr. D.L. Sharma was appointed as a member of Nomination & Remuneration Committee w.e.f. 6<sup>th</sup> February, 2019.

## iii. Meeting of Independent Directors:

A meeting of Independent Directors of the Company for the calendar year 2018 was held on 12<sup>th</sup> November, 2018 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

### Performance Evaluation

The performance evaluation of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole, was done by Independent Directors

by way of discussions on their performance.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors has been formulated by the Company.

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, Appointment and Remuneration Policy, the Board of Directors/Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable)

had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

#### Familiarisation programme for Independent Directors

The details of the Familiarisation Programme conducted for the Independent Directors of the Company are available on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/familiarisation.pdf](https://www.vardhman.com/user_files/investor/familiarisation.pdf)

#### iv. Core Skills/ Expertise/ Competence of the Board of Directors:-

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The following skills/ expertise/ competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Industry Experience
- Strategic Planning
- Leadership
- Operational experience
- Financial Expertise
- Administrative Experience.

#### 4. DIRECTORS' REMUNERATION:

##### i) Chairman and Managing Director / Executive Directors:

The Company pays remuneration to Chairman and Managing Director and Joint Managing Directors as approved by the Board of Directors and the Members of the Company in the General Meeting.

A detail of remuneration paid to the Directors during the year 2018-19 is as given below:

	(in ₹ Lakhs)			
<b>Name</b>	S.P. Oswal	Suchita Jain	Neeraj Jain	Sachit Jain*
<b>Designation</b>	Chairman & Managing Director	Vice-Chairperson & Joint Managing Director	Joint Managing Director	Joint Managing Director
<b>Salary</b>	47.55	54.00	48.00	5.55
<b>Perquisites &amp; Allowances</b>	35.69	40.56	46.56	4.38
<b>Retirement Benefit</b>	5.71	6.78	6.06	0.66
<b>Commission</b>	1,794.29	-	-	-
<b>Performance Linked Incentives</b>	-	84.00	78.00	5.55

\*Mr. Sachit Jain resigned from the position of Joint Managing Director of the Company w.e.f. 12<sup>th</sup> May, 2018

Performance Linked Incentives are decided by the Nomination & Remuneration Committee based on the profits calculated at the end of Financial Year.

The tenure of office of the Managing Director & Joint Managing Directors is for 5 years from their respective dates of appointment and can be terminated by either party by giving 3 months notice in writing. There is no separate provision for payment of severance fees.

None of the Directors has been granted any stock options except Mr. Neeraj Jain, who has been granted 20,000 Options. He has exercised 6000 options till date.

**ii) Non-Executive Directors:**

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board & Committee Meetings.

The Non-Executive Directors are paid sitting fees @ Rs. 35,000/- per Board Meeting and @ Rs. 30,000/- per Committee Meeting. The detail of sitting fees paid to the Directors during the Financial Year 2018-19 is given hereunder: -

Name of Director	Sitting Fee (₹)
1. Prafull Anubhai	5,15,000
2. A.K. Kundra	6,65,000
3. D.B. Jain	3,95,000
4. R.M. Malla	2,75,000
5. S.K. Bijlani	2,35,000
6. Parampal Singh	2,40,000
7. Harpreet Kaur Kang*	35,000

\* Mrs. Harpreet Kaur Kang was appointed as an Additional Director of Company w.e.f. 6<sup>th</sup> February, 2019.

**5. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31<sup>st</sup> MARCH, 2019:**

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows: -

S.No.	Name of Director	Number of Shares Held
1.	S.P. Oswal	5,97,591
2.	Suchita Jain	2,44,424
3.	Neeraj Jain	2,200
4.	D.L. Sharma	6,203

No other director holds any share in the Equity Share Capital of the Company.

**6. GENERAL BODY MEETINGS:****i. The details of Annual General Meetings & no. of Special Resolutions passed during last three financial years are as follows:**

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
45 <sup>th</sup> Annual General Meeting for the Financial year ended 31 <sup>st</sup> March, 2018.	Thursday, 27 <sup>th</sup> September, 2018 at 11.00 A.M	Regd. Office, Chandigarh Road, Ludhiana- 141010.	5
44 <sup>th</sup> Annual General Meeting for the Financial year ended 31 <sup>st</sup> March, 2017.	Friday, 22 <sup>nd</sup> September, 2017 at 09.00 A.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	1
43 <sup>rd</sup> Annual General Meeting for the Financial year ended 31 <sup>st</sup> March, 2016.	Monday, 5 <sup>th</sup> September, 2016 at 09:00 A.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	1

## ii. Postal Ballot

During the year, no resolution was passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot in financial year 2019-20.

## 7. DISCLOSURES:

- i. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. Transactions with related parties are disclosed in Note No. 46 to the Financial Statements. The policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/96c45534e3ab096d9bc682f8eebade0344f915151436264609.pdf](https://www.vardhman.com/user_files/investor/96c45534e3ab096d9bc682f8eebade0344f915151436264609.pdf)
- ii. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- iii. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/20b9bcd2cc01fde3e8e7d392d93573769de1941436265078.pdf](https://www.vardhman.com/user_files/investor/20b9bcd2cc01fde3e8e7d392d93573769de1941436265078.pdf)
- iv. The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v. The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.
- vi. During the year no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- vii. Risk Management Policy as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by Board of Directors of the Company. The aim of Risk Management Policy is to maximize the opportunities in all activities and to minimize adversity.
- viii. Further, the Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company may also take up the non-mandatory requirements of the Regulations in due course of time.
- ix. As on March 31, 2019, there was no outstanding GDRs/ADRs/Warrants or any convertible instruments.
- x. During the year 2018-19, the Company had managed the foreign exchange risk and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts and options contracts for hedging foreign exchange exposures against exports and imports. Further, the Company also enters in commodity forward contracts for hedging commodity price risk exposures on cotton purchase. The details of foreign currency exposure are disclosed in the Note No. 37 to the Financial Statements.

### Exposure of the Company to commodity risk is as follows:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Cotton	16,340 million	133.55 million kgs	-	-	-	2.71%	

- xi. The Company has no material subsidiary. The policy for determining 'material' subsidiary is available at Company's website at the link [http://www.vardhman.com/user\\_files/investor/Policy%20for%determining%20Material%20Subsidiaries.pdf](http://www.vardhman.com/user_files/investor/Policy%20for%determining%20Material%20Subsidiaries.pdf)
- xii. During the year, the Company has not raised any funds through preferential allotment or qualified institutional placement.
- xiii. A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this Report.
- xiv. There is no such instance where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required.
- xv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / company of which statutory auditor is part is Rs. 86,90,470.

## 8. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers, conducting analyst meets and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and the Registrar of Companies. The Quarterly Financial Results are published in prominent daily newspapers viz., "Business Standard" and "Desh Sewak". The Financial Results of the Company are also made available at the Company's web-site [www.vardhman.com](http://www.vardhman.com).

# General Information for Shareholders

## i) 46<sup>th</sup> Annual General Meeting:

Date	: 30 <sup>th</sup> September, 2019
Time	: 3:00 p.m.
Venue	: Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana-141 010

## ii) Financial Calendar 2019-20 (Tentative)

First Quarter Results	: August, 2019
Second Quarter Results	: November, 2019
Third Quarter Results	: February, 2020
Annual Results	: May, 2020

iii) **Dates of Book Closure** : 20<sup>th</sup> September 2019 to 30<sup>th</sup> September 2019 (both days inclusive)

iv) **Dividend payment date** : Within 30 days after declaration.

v) **Listing** : The securities of the Company are listed on the following Stock Exchanges: -

1. BSE Limited, Mumbai (BSE), 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.
2. National Stock Exchange of India Limited (NSE), "Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai."

Listing fee, as applicable, has been duly paid to both the aforesaid Stock Exchanges.

## vi) Stock Code:

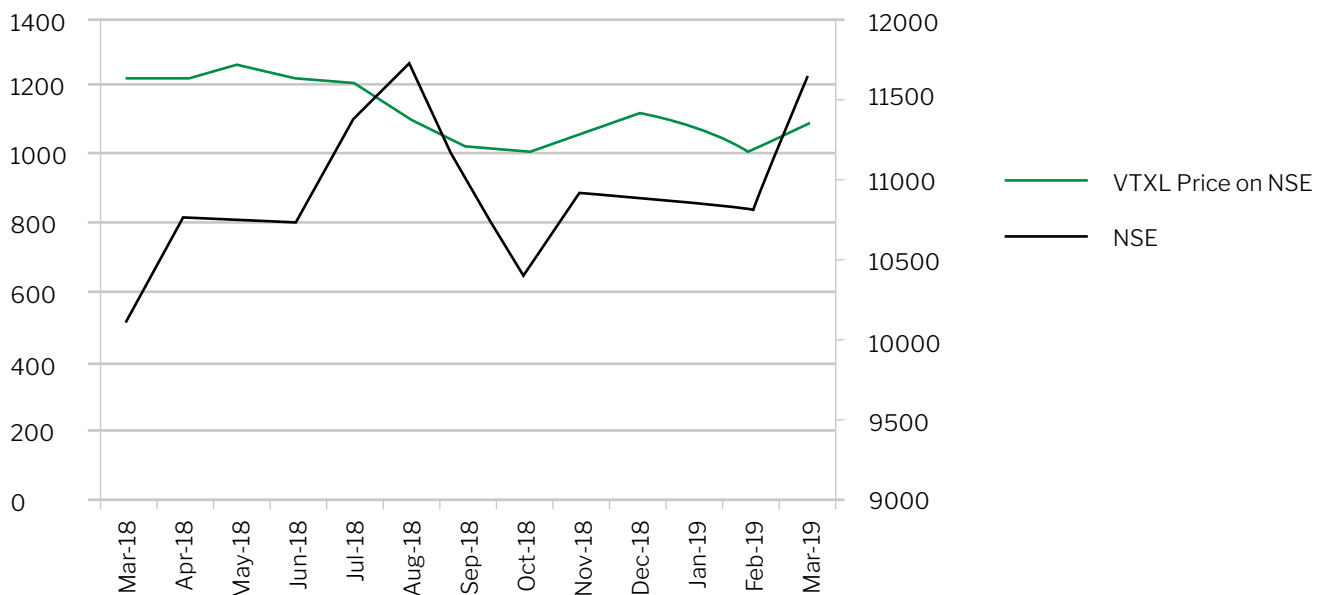
- BSE Limited, Mumbai : 502986
- National Stock Exchange of India Limited : VTL

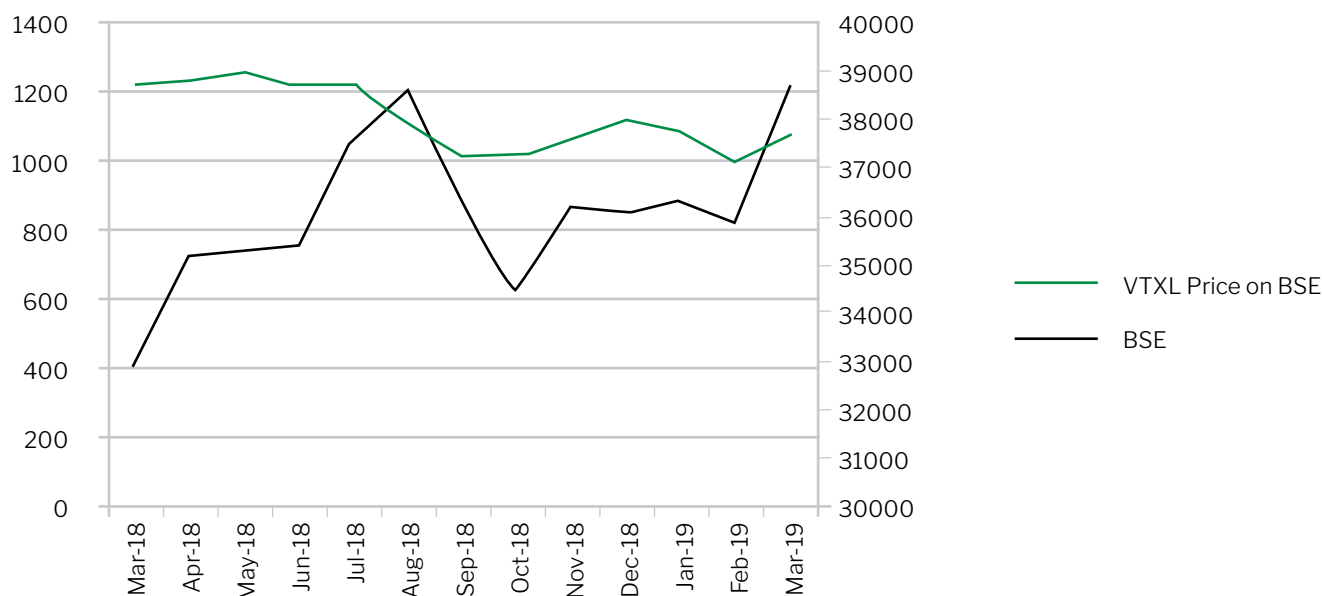


**vii) Stock Market Data:**

The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2018-19 is given below: -

Financial Year 2018-19	Share Prices of Vardhman Textiles Limited on NSE				Share Prices of Vardhman Textiles Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing
April	1,288.90	1,172.50	1,226.70	0.37	1,288.00	1,174.45	1,228.20	0.61
May	1,299.70	1,184.80	1,253.70	2.20	1,288.00	1,180.15	1,254.30	2.13
June	1,435.05	1,190.35	1,219.95	-2.69	1,425.00	1,188.15	1,216.70	-3.00
July	1,241.05	1,182.80	1,211.15	-0.72	1,241.95	1,184.60	1,223.55	0.56
August	1,241.00	1,081.70	1,100.10	-9.17	1,240.05	1,087.25	1,104.35	-9.74
September	1,124.95	970.00	1,015.65	-7.68	1,128.00	970.00	1,012.15	-8.35
October	1,082.00	920.00	1,010.60	-0.50	1,094.00	922.00	1,005.75	-0.63
November	1,104.90	992.00	1,059.85	4.87	1,104.95	993.85	1,063.80	5.77
December	1,125.00	1,012.00	1,114.10	5.11	1,124.95	1,007.00	1,114.50	4.77
January	1,137.00	1,041.10	1,077.30	-3.29	1,139.85	1,045.00	1,080.30	-3.07
February	1,093.00	950.55	1,008.45	-6.39	1,107.00	950.10	999.75	-7.46
March	1,116.00	1,010.20	1,088.15	7.90	1,106.00	1,012.90	1,078.80	7.91

**viii) Performance of the Company in comparison to broad-based indices:**



#### ix) Information regarding Dividend Payment:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') dividends not encashed/ claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF")

Dividends remaining unpaid/unclaimed up to the financial year 2010-11 has been transferred to the Investors Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2011-12 is due for remittance in the month of October, 2019 to IEPF.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF Authority. In accordance with the said IEPF Rules, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. Thereafter, the shares of these Members were transferred to the IEPF and necessary e-form(s) in this regard were filed with MCA.

The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the Authority by following the required procedure. Members are requested to get in touch with the Nodal Officer/Compliance Officer for further details on the subject at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

#### x) Registrar & Transfer Agent:

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Alankit Assignments Limited at the address given below: -

M/s. Alankit Assignments Limited,  
(Unit: Vardhman Textile Limited)  
1E/13, Alankit Heights, Jhandewalan Extension, New Delhi - 110 055.

Phone: (011) 41540060-63, Fax: (011) 41540064, E-mail: [rta@alankit.com](mailto:rta@alankit.com)

#### xi) Share Transfer System:

The Company has constituted a Share Transfer Committee of its Directors. The Committee meets on an average once in 10 days. The list of valid transfers prepared by the Transfer Agent in respect of transfer cases received by them and objections, if any, are placed before the Committee for its approval/confirmation. The Share Certificates are returned back to the shareholders by Transfer Agent within 15 days from the date of receipt by them.

The shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) of the Company is INE 825 A01012.

**xii) Distribution of Shareholding as on 31<sup>st</sup> March, 2019 :**

RANGE No. of Shares	Shareholders		Shares	
	Numbers of total Holders	% to Total Holders	Numbers of shares Held	% to Total Shares
Upto 500	20,035	91.89	18,18,084	3.17
501-1000	914	4.19	6,52,286	1.13
1001-5000	641	2.94	12,93,506	2.25
5001-10000	98	0.45	7,12,780	1.24
10001-20000	40	0.18	5,37,067	0.93
20001-30000	12	0.06	2,99,381	0.52
30001-50000	15	0.07	5,71,093	0.99
50001 and above	48	0.22	5,15,93,963	89.77
<b>Total</b>	<b>21,803</b>	<b>100</b>	<b>5,74,78,160</b>	<b>100</b>

**xiii) Dematerialisation of shares:**

As on 31<sup>st</sup> March, 2019, 98.63% of the capital comprising 5,66,94,345 shares, out of total of 5,74,78,160 shares, were dematerialized.

**xiv) Stock Options:**

The Company has granted options to its employees under Vardhman Textiles Limited Employee Stock Options Plan, 2016 (hereinafter referred as ESOP Plan). As per the terms of the ESOP Plan, the Company can grant a maximum of 6,36,518 options to the eligible employees from time to time. One option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan. During the financial year 2018-19, 37,900 equity shares were allotted to the eligible employees. So, the paid up equity share capital of the Company stood increased to ₹ 57,47,81,600 as on 31<sup>st</sup> March, 2019.

**xv) Plant Location:**

- Anant Spinning Mills  
New Industrial Area,  
Mandideep-462 046.
- Arisht Spinning Mills  
Sai Road, Baddi,  
Distt. Solan (H.P.)- 173 205.
- Auro Spinning Mills  
Sai Road, Baddi,  
Distt. Solan (H.P.)- 173 205.
- Auro Dyeing (Unit -I & II)  
Sai Road, Baddi,  
Distt. Solan (H.P.)- 173 205.
- Auro Weaving Mills  
Sai Road, Baddi,  
Distt. Solan (H.P.) - 173 205.
- Auro Textiles (Unit-I & II)  
Sai Road, Baddi,  
Distt. Solan (H.P.)- 173 205.
- Mahavir Spinning Mills (Textile Division) (Unit-I & II)  
Sai Road, Baddi,  
Distt. Solan (H.P.)- 173 205.
- Arihant Spinning Mills  
Industrial Area,  
Malerkotla-148 023.

- Vardhman Spinning Mills  
Sai Road, Baddi,  
Distt. Solan (H.P.) - 173 205.
- Vardhman Spinning and General Mills,  
Chandigarh Road,  
Ludhiana-141 010.
- Vardhman Fabrics  
Budhni, Distt. Sehore (M.P.) - 466 445.
- Vardhman Fabrics (Power Division)  
Budhni, Distt. Sehore (M.P.) - 466 445.
- Vardhman Yarns  
Satlapur, Distt. Raisen (M.P.) - 462 046.
- Vardhman Yarns (Power Division)  
Satlapur, Distt. Raisen (M.P.) - 462 046.

**xvi) Address for correspondence:**

Registered office : Chandigarh Road, Ludhiana-141010

Tel : 0161-2228943-48

Fax : 0161-2601048, 2602710, 2222616

E-mail : [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

(Exclusively for redressal of investors' grievances)

**xvii) List of credit ratings:**

The Company has obtained rating from CRISIL Limited during the financial year 2018-19. There has been no revision in the credit ratings during the financial year 2018-19. List of all credit ratings obtained by the Company during the year are as follows:

Particulars	Rating during FY 2018-19
Long Term Bank Facilities	CRISIL AA+/Stable
Short Term Bank Facilities	CRISIL A1+
Non-Convertible Debentures	CRISIL AA+/Stable
Commercial Papers	CRISIL A1+