

# CORPORATE GOVERNANCE GUIDELINES

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# 1. Philosophy of The Company on The Code of Corporate Governance

Vakrangee's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices. Corporate Governance is that crucial muscle which encourages and moves a viable and accessible financial reporting structure, and which enables a transparent system. Through the Governance mechanism in the Company, the Board along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

Corporate Governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders. Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection.

At Vakrangee, our aspirations have always been of protecting, strengthening and aligning together the interest of all the stakeholders and to satisfy that we strive hard to implement and continue to follow our core values which are "Belief in people, Entrepreneurship, Customer orientation and pursuit of excellence". Your Company endeavors to put in the right pedestal blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner with strict adherence to best corporate governance practices.

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations.

At Vakrangee, we are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholder returns, our credit ratings, governance processes and an entrepreneurial and performance focused work environment.

The Board of Directors manages the affairs of the company in the best interest of the shareholders, providing necessary guidance and strategic vision. The Board is also responsible to ensure that the Company's management and employees operate with the highest degree of ethical standards.

Over the years, governance processes and systems have been strengthened and institutionalized at Vakrangee. Your Company is committed to maintain the highest standards of Corporate Governance. Your directors adhere to the stipulations set out in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015).



## 2. Board of Directors Composition

The Board comprises of majority of Independent Directors. It has a good mix of Executive and Non-Executive Directors including Independent Directors with more than fifty percent of the board comprising of non-executive Independent Directors. The Board consists of Nine Directors comprising five non-executive Independent Directors (including one women director), one non-executive Non-Independent Director, one Nominee Director representing Life Insurance Corporation of India Limited, holding equity investment in the Company and two Executive Directors.

The Chairperson of the Board of Directors of the Company shall be (a) Non-Executive Director and (b) not be related to the Managing Director or the Chief Executive Officer of the Company.

None of the Directors of your Company are inter-se related to each other. The composition of Board is in conformity with the SEBI LODR 2015.

None of the Director on the Board is a Member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian public companies in which he/she is a Director. Necessary disclosures regarding their committee positions have been made by all the Directors.

None of the Directors hold office in more than ten public companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of Listed Companies as prescribed under regulation 17A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

None of the Whole-time Director/Managing Director is an Independent Director in any other listed companies.

Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI LODR 2015 and are independent of the Management.

The Board has identified the following skills/expertise/competencies for the effective functioning of the Company which are currently available with the Board Members:

- Knowledge on Company's business, policies and culture, major risks, threats and potential opportunities and knowledge of the Industry
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, sales and marketing, corporate governance, forex management administration, decision making
- Technical/Professional skills and specialized knowledge in relation to Company's business

## 3. Board Meetings

The Board shall meet at least 4 times in a year with a maximum time gap not exceeding one hundred and twenty (120) days intervening between two consecutive board meetings as per Section 173 of Companies Act, 2013 read with Regulation 17 of SEBI LODR 2015.

## 4. Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI LODR 2015, a separate meeting of the Independent Directors of the Company shall be held once in a year to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors shall also review the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

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## 5. Board Committees

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The constitution of the committees and their terms of reference are set out as below:

## 6. Audit Committee

The constitution of Audit Committee shall be in compliance with the requirements of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI LODR 2015. The Company Secretary shall act as Secretary of the Committee.

### **Terms of reference:**

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- Reviewing and examining with management the quarterly financial results before submission to the Board
- Reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon before submission to the board for approval with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- Scrutiny of inter-corporate loans and investments made by the Company
- Reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies
- Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate



- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors
- Discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any
- Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems
- Reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries
- Recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company
- Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues
- Evaluating internal financial controls and risk management systems
- Evaluating 'undertaking or assets' of the Company, wherever it is necessary
- Reviewing the functioning of the Whistle Blowing mechanism

#### **Meetings:**

The Committee shall meet at least four times in a year and the gap between two consecutive meetings shall not be more than 120 days.



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## 7. Nomination and Remuneration and Compensation Committee

The Nomination and Remuneration and Compensation Committee (NRC Committee) of the Company shall consist of all non-executive Independent Directors and its composition shall be as per the requirements of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI LODR 2015.

Terms of Reference of the committee inter-alia includes:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director
- To formulate criteria for evaluation of Independent Directors and the Board
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy
- To carry out evaluation of Director's performance
- To recommend to the Board the appointment and removal of Directors and Senior Management
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management
- To devise a policy on Board diversity, composition, size
- Succession planning for replacing Key Executives and overseeing
- To carry out any other functions as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- To perform such other functions as may be necessary or appropriate for the performance of its duties

The Committee shall meet at least once in a year.

The Board of Directors shall frame the Nomination and Remuneration and Compensation Policy on Nomination and remuneration of Directors, Key Managerial Personnel and Senior Management. The remuneration paid to the Executive Directors shall be in accordance with the provisions of Section 197 and Part II of Schedule V of Companies Act, 2013.

The Director shall be paid remuneration in terms of section 197 read with Schedule V of the Companies Act, 2013 and rules thereof.

Non-Executive Directors shall be paid sitting fee as per the limit prescribed under the Companies Act, 2013 for attending Board Meetings and the meetings of the committees thereof.

The Directors, whether whole-time or not, but excluding Independent Directors and Promoters of the Company and its subsidiaries, working in India or abroad shall be eligible to participate in the ESOP Schemes of the Company, provided that a director holding, either by himself or through his relative or through anybody corporate, directly or indirectly, more than 10% of the outstanding equity shares of the company shall not be entitled to participate in the ESOP Schemes of the company.



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## 8. Performance Evaluation of Board of Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR 2015, the Board shall carry out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

A separate exercise shall be carried out to evaluate the performance of individual Directors including the Chairman of the Board, who shall be evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors shall be carried out by the entire Board excluding the Directors being evaluated.

## 9. Stakeholders Relationship Committee

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR 2015, the company shall constitute Stakeholders Relationship Committee.

The Terms of Reference of the committee shall include:

- De-materialization of Shares
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meeting etc.
- To review measures taken for effective exercise of voting rights by shareholders
- To review adherence to the service standards adopted by the listed entity in respect of various service being rendered by the Registrar and Share Transfer Agent
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- Any other related issue

Company Secretary shall function as Compliance Officer as required under SEBI LODR 2015 and shall also act as Nodal Officer to ensure compliance with IEPF Rules.

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## 10. Corporate Social Responsibility Committee

As per the requirements of Section 135 of the Companies Act, 2013, the Company shall constitute a Corporate Social Responsibility Committee (the “CSR Committee”). The company shall adopt a CSR Policy which shall be made available on the website of the Company.

The role of Corporate Social Responsibility Committee shall be in line with Schedule VII of the Companies Act, 2013 which are as follows:

- Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company
- Recommending the amount of expenditure to be incurred on CSR activities of the Company
- Reviewing the performance of Company in the area of CSR
- Monitoring CSR Policy of the Company from time to time

Monitoring the implementation of the CSR projects or programs or activities undertaken by the Company.

## 11. Risk Management Committee

Pursuant to Regulation 21 of SEBI LODR 2015, the Company shall constitute a Risk Management Committee to review and mitigate risk factors. The Company shall lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall formulate a Risk Management Policy to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company’s business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy/ strategy.

The terms of reference of the committee, inter alia, include the following:

- Review of strategic risks arising out of adverse business decisions and lack of responsiveness to changes
- Review of operational risks
- Review of financial and reporting risks
- Review of compliance risks
- Review or discuss the Company’s risk philosophy and the quantum of risk, on a broad level that the Company, as an organization, is willing to accept in pursuit of stakeholder value
- Review the extent to which management has established effective enterprise risk management at the Company

- Inquiring about existing risk management processes and review the effectiveness of those processes in identifying, assessing and managing the Company's most significant enterprise-wide risk exposures
- Review the Company's portfolio of risk and consider it against its risk appetite by reviewing integration of strategy and operational initiatives with enterprise-wide risk exposures to ensure risk exposures are consistent with overall appetite for risk; and review periodically key risk indicators and management response thereto

## 12. General Body Meetings

As per section 96 of the Companies Act, 2013, the company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next.



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## 13. Means of Communication

Quarterly, half-yearly and annual financial results of the Company shall be communicated to the stock exchanges immediately after the same are approved by the Board and those shall be published in prominent English (Free Press Journal) and Marathi (Nav Shakti) newspapers. The results and other news releases shall be posted on the Company's website, [www.vakrangee.in](http://www.vakrangee.in).

Detailed Investor's presentations on the Company's quarterly, half - yearly as well as annual financial results shall be made available on the Company's website, [www.vakrangee.in](http://www.vakrangee.in). and shall also be sent to the Stock Exchanges.

### Financial Year:

The financial year of the company is April 1 to March 31.

### Listing on Stock Exchanges:

The company's securities are listed on the following stock exchanges.

BSE Ltd.	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra East, Mumbai - 400 051.

### Stock Code:

Stock Exchange	Code
BSE Ltd.	511431
National Stock Exchange of India Ltd.	VAKRANGEE
ISIN no. for Equity Shares (NSDL & CDSL)	INE051B01021

### Registrar and Share Transfer Agent:

#### Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai, Maharashtra, 400059.

Telephone No. : 022-62638200

Fax No. : 022-28475207

Email : [info@bigshareonline.com](mailto:info@bigshareonline.com)

## 14. Share Transfer System

Transfers in physical form are registered by the Registrar and Share Transfer Agent immediately on receipt of completed documents and certificates are issued within stipulated time. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of

shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can reload the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

All requests for dematerialization of shares are processed and the confirmation is given to respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited, generally within 21 days.

The Company obtains half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgments of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of SEBI LODR 2015 and files a copy of the said certificate with the concerned Stock Exchanges.



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## 15. Dematerialization of Shares and Liquidity

The Company's shares are traded in dematerialized form and are available for trading with both the depositories, namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**Outstanding GDRs, ADRs, warrants or any convertible instruments:**

The Company has not issued any GDRs/ADRs/Warrants.

**Commodity Price Risks or Foreign Exchange Risks and Hedging Activities:**

The details of foreign currency exposure shall be disclosed in standalone notes to accounts of the Annual Report.

## 16. Plant Locations

In view of the nature of the Company's business viz. Specialty Retail, the Company operates from various offices in India and does not have any manufacturing plant.

## 17. Address of Correspondence

The address of correspondence:

Vakrangee Limited  
"Vakrangee Corporate House", Plot No.- 93,  
Road No. 16, M.I.D.C. Marol, Andheri (E),  
Mumbai – 400 093.

Shareholders can contact the following officials for Secretarial matters related to the company:

Name	Telephone No.	Email ID	Fax No.
Mehul Raval	022 - 67765100	info@vakrangee.in	022-28502017



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## 18. Vigil Mechanism / Whistle Blower

In line with the best Corporate Governance practices, Company shall put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and no personnel has been denied direct access to the Chairman of the Audit Committee.

## 19. Familiarization Program for Independent Directors

The Company shall on regular intervals familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors shall be provided with necessary documents, reports and internal policies to familiarize them with the Company's policies, procedures and practices.

Periodic presentations shall be made to the Board and Board Committee meeting on Business and performance updates of the Company, Business strategy and risks involved.

Quarterly updates on relevant statutory changes and judicial pronouncements and encompassing important amendments shall be briefed to the Directors.

## 20. Vakrangee's Code of Conduct

The Board of Directors of the Company shall lay down a code of conduct for the Board and all senior management employees of the Company. The same shall be posted on the website of the Company [www.vakrangee.in](http://www.vakrangee.in). The Company shall confirm that all Board members and senior management personnel shall have and shall continue to affirm compliance with the code on an annual basis.



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## 21. Vakrangee's Code for Preventing Insider Trading

The Company shall have Code of Conduct for Prevention of Insider Trading ('VL Code') in the shares of the Company which is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 and followed in spirit.

## 22. Review of Corporate Governance Guidelines

The Board reviews these guidelines once in every year.





**CORPORATE OFFICE:**

Vakrangee Corporate House,  
Plot No. 93, Road No. 16, M.I.D.C.,  
Marol, Andheri (East),  
Mumbai – 400093, Maharashtra