

Nomination and Remuneration Policy

The Companies Act, 2013 (“Companies Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) require a listed company to adopt a policy with respect to appointment of Directors and remuneration of Directors, Key Managerial Personnel (KMP) and other employees.

The Policy lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees.

Human Resource in any organization is considered as one of the invaluable assets. With a view to harmonise the aspirations of human resources consistent with the goals and objectives of the Company and in terms of the provisions of the Companies Act, 2013 and rules made thereunder, the listing agreement as amended from time to time, this policy on remuneration has been formulated by the Nomination and Remuneration Committee (“Committee”) and approved by the Board of Directors.

Objectives of the Policy are:

- To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in the market.
- To provide reward linked directly to the effort, performance, dedication and achievement.
- To retain, motivate and promote talent and to ensure long term sustainability of talented employees and create competitive advantage.

Appointment of Directors, KMP and Other Senior Management personnel:

Appointment of Directors and KMP and other Senior Management personnel is approved by the Board based on the recommendations of the Nomination and Remuneration Committee, and is subject to approval of Board of Directors and Shareholders, wherever applicable.

The Nomination and Remuneration Committee is guided by its charter and also by the Company’s Corporate Governance Guidelines in appointment of Directors, KMP and Senior Management personnel and other employees.

The candidates identified for appointment as Directors should not be disqualified under applicable provisions of the Companies Act 2013. Candidates identified for appointment as Independent Directors should also satisfy prescribed criteria for independence under applicable provisions of Companies Act 2013 and SEBI Listing Regulations.

The tenure of appointment of a Managing Director, Whole-time Director and Independent Director shall be decided by the Board on the basis of the recommendations of the Nomination and Remuneration Committee and shall be as per applicable provisions of Companies Act 2013 and SEBI Listing Regulations.

The Whole-time Directors, KMP and Senior Management personnel and other employees are subject to retirement and removal as per the applicable provisions of Companies Act, 2013 and prevailing retirement policy of the Company and the Company's Code of Conduct.

Remuneration of Managing Director / Whole time Director:

1. The remuneration to Managing and Whole-time Directors will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to the consent of the shareholders of the Company and Central Government, wherever required.
2. The remuneration to be paid to Managing and Whole-time Directors shall be in accordance with the percentage / slabs / conditions laid down in the Companies Act, 2013, and the rules / schedule made thereunder.
3. Annual increments to the existing remuneration structure shall be determined by the Committee which should be within the limits as prescribed under the Companies Act, 2013 and recommended to the Board for approval.
4. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. may be fixed by the Committee.
5. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing and Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
6. If Managing or Whole-time Director draws or receives any sum in excess of the limits prescribed under the Companies Act, 2013, the Company shall not waive recovery of such sum paid in excess unless permitted by the Central Government.

Remuneration of Non- Executive / Independent Director:

1. Non- Executive / Independent Director may receive sitting fees for attending meetings of Board or Committee thereof. Sitting fee for each meeting shall be of such amount as may be approved by the Board within the permissible limit laid down under the Companies Act, 2013 and rules made there under.

2. Payment of Commission to Non-Executive and Independent Directors

Pursuant to the provisions of Section 197(1) and other applicable provisions of the Companies Act, 2013 read with Schedule V and the rules made thereunder, the Company may pay remuneration by way of commission to its Non-Executive Directors, including Independent Directors, for each financial year, not exceeding:

- 1% (One percent) of the net profits of the Company, computed in accordance with Section 198 of the Act, where the Company has a Managing Director or Whole-time Director or Manager, or
- 3% (Three percent) of the net profits, in the absence of any such managerial personnel.

The exact amount and proportion of such commission payable to each eligible Non-Executive Director, including Independent Directors, shall be determined by the Board of Directors, subject to the overall ceiling as stated above and in accordance with the recommendation of the **Nomination and Remuneration Committee**, where applicable.

3. The Board shall approve distribution of Commission amongst the NEDs / IDs.

4. An Independent Director shall not be entitled to any stock option of the Company.

Remuneration of Chief Financial Officer, Company Secretary and other employees:

CTC of Chief Financial Officer and Company Secretary will be determined by the Committee and recommended to the Board for approval. Overall annual increment for all employees of the company will be decided by the Committee.

Review of Policy:

The Board Governance, Nomination and Remuneration Committee may review the Policy from time to time and recommend necessary changes to the Board for approval, due to change in applicable laws or otherwise as may be required.