

## **POLICY RELATING TO THE REMUNERATION OF WHOLE TIME/ EXECUTIVE/ MANAGING DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL.**

### **PREAMBLE**

This Policy has been prepared in accordance with the requirements of Clause 49(IV)(B)(1) of the Equity Listing Agreement and Section 178(3) of Companies Act, 2013.

This policy shall stand automatically modified with respect to any statutory modifications in the said act or their allied rules.

### **DEFINITIONS**

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” means the Whole time Directors/Executive Directors/Managing Directors of the Company.

“**Key Managerial Personnel**” means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole-time director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and

“**Senior Management**” means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

### **APPLICABILITY**

This Policy shall be applicable on all Directors, Key Managerial Personnel and Senior Management of the Company.

### **PURPOSE**

This policy has been designed by the Nomination and Remuneration Committee of the Company to devise a criteria for payment of remuneration to Directors, KMP and Senior Management of the Company. Any Appointments made in future shall be governed by this policy.

## REMUNERATION CRITERIA

### **i. General:**

a) The remuneration / compensation / commission etc. to the Directors, KMP and Senior Management will be determined by the Nomination and Remuneration Committee and recommend to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Directors/ Managing Directors shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Nomination and Remuneration Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **ii. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

#### **a) Fixed pay:**

The Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### **b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors/Managing Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Shareholders and Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by Law.

**iii. Remuneration to Non- Executive / Independent Director:**

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive sitting fees for attending meetings of Board or Committee thereof. Currently, the maximum amount prescribed by the Central Government is Rs.1,00,000/- per meeting of the Board or Committee thereof. However the Company, presently gives Rs. 5,000/- for every meeting attended by them.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

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

**Notes:**

*The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require Central Government approval.*

*The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders.*

*The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a Whole time Director in the Company, the applicable limit is of 1% of the net profit. Any payment exceeding 1% would require the approval of the shareholders subject to the overall limit of 11%.*

*However, the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V.*