

NOMINATION AND REMUNERATION POLICY

PREAMBLE

The Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits.

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

GUIDING PRINCIPLE

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. The following are the guiding principles in formulating the remuneration policy:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
 - Responsibilities and duties;
 - Time & efforts devoted;
 - Value addition;
 - Profitability of the Company & growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick.
 - Standards for certain functions where there is a scarcity of qualified resources.
 - Ensuring tax efficient remuneration structures.
 - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
 - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

Remuneration of Managing Director including Whole Time Director(s) reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Whole Time Director(s), the Nomination & Remuneration Committee considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The Nomination & Remuneration Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination & Remuneration Committee while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Nomination & Remuneration Committee considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole Time Director(s), Managing Director are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.

The Whole Time Director(s) and Managing Director's remuneration comprises of salary, perquisites and commission based on Net profit/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc as per policies of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Whole Time Director(s) and Managing Director are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as per the Companies Act 2013.

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Appointment of Key Managerial Personnel & senior management and cessation of their service are subject to the approval of the Nomination and Remuneration Committee and the Board of Directors. Remuneration of Key Managerial Personnel and other senior management personnel is decided by the Managing Director or such other Executive Director who is responsible for appointment of such Key Managerial and other Senior Management Personnel, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises of:

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.

3. **Retirement benefits** - contribution to PF, superannuation, gratuity, etc as per Company Rules.

OTHER EMPLOYEES

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable.

DISCLOSURE OF INFORMATION

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

APPLICATION OF THE REMUNERATION POLICY

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

REVIEW OF THIS POLICY

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy.

DISSEMINATION

The Company's Remuneration Policy shall be published on its website.