



Appointment, nomination and remuneration of Directors, Key Managerial Personnel and Senior Management

In terms of the provisions of Companies Act, 2013 and the listing agreement the Company has a Nomination and Remuneration Committee of the Board to deal with the matter related to appointment, nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel one level below Board. Following is the constitution and terms of reference of the Nomination and Remuneration Committee:

1. Mr. Shashi Bhushan Bansal, Chairman
 2. Mr. J. K. Jain, Member
 3. Mr. U. K. Singhal, Member
- (i) The Committee shall identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel, Senior Management Personnel in accordance with the criteria laid down and shall recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- (ii) The Committee shall also formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- (iii) The Committee shall, while formulating the policy relating to the remuneration, ensure that-
- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee identifies, ascertain and consider the integrity, qualification, expertise and experience of the person for appointment as Director before making recommendation to the Board his/ her appointment.

The appointment of Whole Time Director or Managing Director is made for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term. A person who has attained the age of seventy years is not appointed or re-appointed as Managing Director or Whole Time Director without the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

The Committee considers and determines the remuneration payable to the Whole -Time Director or Managing Director and recommends the same to the Board for approval. The appointment, re-appointment and the remuneration of a whole time Director or Managing Director is decided in accordance with the conditions laid down as per the provisions of the Companies Act, 2013, and the rules and regulations made thereunder and subject to the approval of the shareholders of the Company and Central Government, wherever required.

The Non-Executive and Independent Director are appointed in terms of the provisions of Companies Act, 2013, the listing agreement with the approval of the members of the Company, if required. An Independent Director is appointed for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. At the time of appointment of a person as an Independent Director a declaration is taken from such person that he/she does not serve as an Independent Director in more than seven listed companies and three listed companies in case such person is serving as a Whole time Director of a listed company. All the Non-Executive and Independent Director receive remuneration by way of fees for attending meetings of Board or Committee thereof.

The Company has taken Directors & Officers liability insurance for its Directors and officers. The premium paid on such insurance is not 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.

The Director, KMP and Senior Management Personnel retire as per the applicable provisions of the Companies Act, 2013 and terms of their appointment. The Board can re-appoint a retiring Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the provisions of the Companies Act, 2013.

The performance evaluation of non-executive members is done by the Board based on the criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings. The Present Structure of the Board Consist of optimum combination of Executive and Non- Executive Directors and the Board has also appointed Woman Director as mandated by the Companies Act, 2013 and the Listing Agreement. Company also recognize that all appointments, whenever required shall be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective and the Board should be diversified Board containing expert from different field so that their experience as well as knowledge could be used for the benefit of the Company.



Familiarization Programs imparted to Independent Directors during FY 2017-18

The appointment letter issued to Directors inter alia sets out the expectation of the Board from the appointed director, their fiduciary Roles and duties and responsibilities that come with the appointment as a director of the Company. The Directors were appraised in the Board Meetings held during the year under review about the business environment, strategy, risks, statutory updates to enable them to familiarize with the Company's procedures and practices. Each director of the Company has complete access to any information relating to the Company. Independent Directors have the freedom to interact with the Company's management.

Discussions are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.