



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

In terms of the provisions of Companies Act, 2013 (“the Act”) and the SEBI Listing Regulations, 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. 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 Senior Management.
  - (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.

### **Criteria for appointment of Directors, KMP and Senior Management Personnel**

- The Committee shall identify, ascertain and consider the integrity, qualification, expertise and experience of the person for appointment as Director or KMP or Senior Management Personnel before making recommendation to the Board his/ her appointment.
- Other factors which may be considered for appointment of Director, KMP and Senior Management Personnel are as follows:
  - i. Age, number of years of service, specialized expertise and period of employment or association with the Company
  - ii. Special achievements and operational efficiency which contributed to growth in business in the relevant functional area
  - iii. Constructive and active participation in the affairs of the Company
  - iv. Diversity of the Board
  - v. Demonstrable leadership qualities and interpersonal communication skills
  - vi. Transparency, unbiased and impartial opinions and ability of maintaining confidentiality



- A person in order to be eligible for appointment as Independent Director, shall fulfill the criteria of Independence as defined in the Act and Listing Regulations.  
vii.

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

Senior Management Personnel shall include employee one level below chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

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. The Non-Executive and Independent Director are appointed in terms of the provisions of Companies Act, 2013, the Listing Regulations 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 fulfills the criteria of Independence as defined in the Act and SEBI Listing Regulations. Every independent director shall, at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. No person shall be appointed or continue as an alternate director for an independent director of a listed entity. 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 Act or SEBI Listing Regulations.



The performance evaluation of Directors 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 SEBI Listing Regulations. 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 2018-19**

The familiarization programme aims to provide Directors knowledge of the Industry in which the Company operates, its working and update on a continuous basis significant developments so as to enable them to take timely informed decisions. The Company regularly updates the Directors at the Board and Committee meetings on operations, financials, business, risk management framework, strategies and other related matters to familiarize them with its performance and functioning.

The familiarization programme also aims to update the Directors including Independent directors on their roles, responsibilities rights and duties under the Companies Act, 2013 and other relevant legislations. A formal letter of appointment stating the terms of appointment, role, responsibilities, functions and fiduciary duties expected from the Director shall be given the time of appointment.

During the year 2018-19, the Directors were familiarized through updates at Board and Committee Meetings. The Board including all Independent Directors were provided with Board Agenda Papers, relevant documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices from time to time.

Independent Directors were provided access to the Senior Management at all times for review of any specific aspects pertaining to the Company.