



# SHRI KALYAN HOLDINGS LIMITED

## **NOMINATION AND REMUNERATION POLICY OF THE COMPANY**

### **INTRODUCTION**

The Nomination & Remuneration Policy ("Policy") of Shri Kalyan Holdings Limited ("THE COMPANY") is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonies the aspirations of human resources with the goals of the Company.

The Board of Directors of the Company constituted a Nomination and Remuneration Committee ("NRC") consisting of three or more non-executive directors out of which at least half are Independent Directors including Chairman of the Committee in terms of Section 178 of the Companies Act, 2013. The policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

### **OBJECTIVE AND PURPOSE**

The objectives and purpose of this Policy are:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, them remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

### **REGULATORY FRAMEWORK**

Section 178 of the Companies Act, 2013 read with the applicable Rules thereto ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") require the Nomination and Remuneration Committee of a company ("NRC") to recommend to its Board a policy, relating to the appointment, removal and remuneration of the directors, key managerial personnel and other employees and to devise a policy on Board diversity.

This policy is framed as per the requirements of the Applicable Laws.



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## DEFINITIONS

- a. **“Board”** means Board of Directors of the Company.
- b. **“Directors”** means directors of the Company.
- c. **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. **“Company”** means Shri Kalyan Holdings Limited.
- e. **“Independent Director”** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. **“Key Managerial Personnel (KMP)”** means-  
in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:
  - (i) the Chief Executive Officer or the Managing Director or the manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer;
  - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - (vi) such other officer as may be prescribed
- g. **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the 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.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

## APPOINTMENT AND REMOVAL OF DIRECTORS, KMPS AND SENIOR MANAGEMENT

### **a. Appointment criteria and qualifications:**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Directors including Independent Directors and KMPS should meet the requirements/criteria, if any, as prescribed/may be prescribed under the provisions of the Companies Act, 2013, from time to time. The Committee has discretion to decide whether qualification, expertise and



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experience possessed by a person are sufficient / satisfactory for the concerned position.

- iii. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with 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.
- iv. Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Act, read with Schedule IV and Rules thereunder and SEBI (LODR Regulations), 2015 as amended from time to time.

### **b. Term / Tenure:**

#### **i. Managing Director/Whole-time Director:**

The Term / Tenure of the Directors shall be governed as per provisions of the Act, and rules made thereunder as amended from time.

#### **ii. Independent Director:**

i. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board 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.

ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iii. At the time of appointment of Independent Director(s) it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

### **c. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, thereunder, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

### **d. Retirement:**



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The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to compliance of relevant provisions of the Act and the Rules, wherever applicable.

## **MATTERS RELATING TO THE REMUNERATION, PERQUISITES ETC.,**

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

The Whole-time / Executive / Managing Director / KMP and Senior Management 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 but not limited to, employer's contribution to Provident Fund (P.F.), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, 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. Remuneration to Non- Executive/Independent Director:**

#### **1) Sitting Fees:**

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **2) Profit Linked Commission:**

The profit –linked Commission shall be paid as per applicable provisions of the Companies Act and listing Regulations.

#### **3) Stock Options:**

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

### **c. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act, and if it is not able to comply with such provisions, with the prior approval of the Central Government.

### **d. Provisions for excess remuneration:**

If any Whole-time / Executive / Managing 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 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.



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The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **EVALUATION**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular intervals (yearly).

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The evaluation of independent directors shall be done by the entire board of directors which shall include –

- (a) Performance of the directors; and
- (b) Fulfillment of the independence criteria as specified in these regulations and their Independence from the management

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

## **MEMBERSHIP**

- a) The Committee shall comprise of at least (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.
- b) The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the members of the Committee, whichever is higher (including at least one independent director in attendance).**
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.
- e) The meeting of the Committee shall be held at such regular intervals as may be required.

## **CHAIRPERSON**

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the annual general meeting or may nominate some other member to answer the shareholders' queries.



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## **FREQUENCY OF MEETINGS**

The Nomination and Remuneration Committee shall meet at least once a year.

## **COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## **COMMUNICATION OF THIS POLICY**

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

## **AMENDMENT**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.