

**JAYANTI COMMERCIAL LIMITED**  
**NOMINATION AND REMUNERATION POLICY**

**INTRODUCTION**

In terms of the provisions of the Companies Act, 2013 and the SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time the “Nomination and Remuneration Policy” was formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

**OBJECTIVE AND PURPOSE OF THE POLICY**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (executive and non-executive) and persons who may be appointed in Senior Management and Key Managerial positions in accordance with the criteria laid down.
- Recommend to the Board their appointment and removal.
- To carry out the evaluation of every director’s performance.
- To formulate the criteria for determining the qualifications, positive attributes and the independence of a director.
- To recommend to the Board the remuneration of the Directors, KMP and Senior Management.
- To see that 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.
- To determine remuneration based on the Company’s size and financial position.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- Remuneration to directors, KMP 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.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

**Effective Date**

This policy was originally effective from 1st September, 2014 under the name of “Nomination and Remuneration Policy” formulated under the Companies Act, 2013 and Rules made thereunder read with Clause 49 of the Listing Agreement.

Subsequently upon SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 coming into force this Policy was subsequently amended so as to conform to the said Regulations.

**Constitution of the Nomination and Remuneration Committee**

The Board has changed the nomenclature of Remuneration Committee by renaming it as Nomination and Remuneration Committee comprising of Directors from the Board. The Board has the power to reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

**General**

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company’s policy shall be included in the Board’s Report.

**PART – A**  
**MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**PART – B**  
**POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIORMANAGEMENT**

- **Appointment criteria and qualifications**

1. 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.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

- **Term /Tenure**

**1. Managing Director / Executive Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director / Executive Director / Whole-time Director for a term as specified under section 196(2) read with Schedule V of the Companies Act, 2013. No re-appointment shall be made earlier than one year before the expiry of term.

**2. Independent Directors**

An Independent Director shall hold office for such term(s) in conformity with section 149, Schedule IV of the Companies Act, 2013 read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

- **Appointment to Maximum No. of Boards of Listed Companies**

At the time of appointment of Independent Director it should be ensured that number of Boards on which an Independent Director serves is restricted to 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.

- **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular yearly interval.

- **Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, and Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

- **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain any Directors, KMPs, and Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **PART – C**

### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP, AND SENIOR MANAGEMENT PERSONNEL**

- **General**

1. The remuneration / compensation / commission etc. to the Managing Director/ Executive Director/Whole-time Director/ KMP and Senior Management Personnel will be determined by the Committee and recommended 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.

2. The remuneration to be paid to the Managing Director/Executive Director/ Whole-time Director shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Rules made thereunder.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Managing Director / Executive Director / Whole-time Director.

4. In terms of section 197(13) of the Companies Act, 2013 where any insurance is taken by the Company on behalf of its Managing Director, Executive Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying any one of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, 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.

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

### **1. Fixed pay**

The Managing Director / Executive Director/ Whole-time 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 break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### **2. Remuneration**

In terms of section 197 of the Companies Act, 2013

- the total managerial remuneration payable by the Company to all its Directors including its Managing Director/Executive Director/ Whole time Director in respect of any financial year shall not exceed 11% of the net profits of the Company for that financial year computed in the manner as laid down in section 198 of the Companies Act,2013.
- The remuneration payable to any one Managing Director / Executive Director/ Whole time Director shall not exceed 5% of the net profits of the Company and if there is more than one such director the remuneration shall not exceed 10% of the net profits to all such directors taken together.
- The remuneration payable to directors who are neither Managing Director/ Executive Director/Whole time Director shall not exceed 1% of the net profits of the company if there is a Managing Director/Executive Director/Whole time Director.
- If the Company does not have a Managing Director/Executive Director/Whole time Director then the remuneration payable shall not exceed 3% of the net profits.
- If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Executive Director / Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

### **3. Provisions for excess remuneration**

In terms of section 197(9) and (10) of the Companies Act, 2013 if any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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. The Company shall not waive the recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non- Executive / Independent Directors**

#### **1. Sitting Fees**

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

#### **2. Commission**

Commission may be paid within the monetary limit approved by the Board and the shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.