



Adhunik Industries Limited

Nomination & Remuneration Policy
*For Board of Directors, Key Management Personnel
& Senior Employees*

ADHUNIK INDUSTRIES LIMITED

CIN: L65921WB1979PLC032200

Registered Office: 14, N.S. Road,

Kolkata: 700001



Adhunik Industries Limited

1. BACKGROUND:

The Securities and Exchange Board of India (“SEBI”) issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'LODR Regulations') on September 02, 2015, effective from December 01, 2015, with an aim to consolidate and streamline the provisions of existing listing agreements thereby ensuring better enforceability.

As per Section 178 of the Companies Act, 2013 and Rules made thereunder and Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Policy of Adhunik Industries Limited (the “Company”) 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. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

This policy was subsequently revised by the Board of Directors of the Company at its meeting held on 28th March 2019 and the same shall be effective with effect from 1st April, 2019.

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

2. OBJECTIVE:

The objective of this Policy is to clearly lay down the guiding principles in relation to compliance under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in:

- i. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors and persons who may be appointed in Senior Management and Key Managerial positions.
- ii. To determine remuneration based on the Company's size and financial position, cost of living, and trends and practices on remuneration prevailing in peer companies, in the Iron & Steel industry.
- iii. To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel.



Adhunik Industries Limited

- iv. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. DEFINITIONS

- i. "Nomination and Remuneration Committee" or "the Committee" means the Committee of the Board constituted/re-constituted, from time to time, under the provisions of Regulation 19 of the LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013, as in force.
- ii. "Board of Directors" or "Board" means the Board of Directors of Adhunik Industries Limited as constituted/re-constituted, from time to time.
- iii. "Company" means Adhunik Industries Limited.
- iv. "Policy" or "this Policy" means Nomination & Remuneration Policy.
- v. "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'.

4. APPLICABILITY:

The Policy is applicable to

- Directors (includes Independent directors)
- Key Managerial Personnel
- Senior Management Personnel

5. CONSTITUTION OF COMMITTEE:

Members of the Nomination & Remuneration Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors. Chairman of the Committee shall be an Independent Director. Chairman of the Nomination and Remuneration Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries. The Chairman of the Company may be appointed as member of the Committee.



Adhunik Industries Limited

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable statutory requirements.

The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The nomination and remuneration committee shall meet at least once in a year.

6. ROLE AND POWERS OF THE COMMITTEE:

Terms of reference of the Committee, inter alia, include:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iii) Devising a policy on diversity of Board of Directors.
- iv) 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.
- v) Identify 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.
- vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- vii) Consider any other matters referred to the Committee by the Board.

7. KEY MANAGEMENT PERSONNEL IDENTIFIED:

The following Executives are defined as Key Management Personnel (KMP), under this Policy:

- Managing Director / Chief Executive Officer/ Manager and in their absence, a Whole-Time Director;
- Chief Financial Officer; and
- Company Secretary.



8. REMUNERATION APPROACH:

The various remuneration components would be combined to ensure an appropriate and balanced remuneration package.

The remuneration components are –

- Fixed, base remuneration (including fixed supplements)
- Short-term incentives, i.e., performance-based pay (variable).

The fixed remuneration would be determined on the basis of the role and position of the individual, including professional experience, responsibility, job complexity and local market conditions.

The short-term incentives motivates and rewards high performers who significantly contribute to sustainable results, perform according to set expectations for the individual in question, and generates stakeholder value within the Group.

Any fee/remuneration payable by the Company shall abide by the following norms –

- While fixing the remuneration for Directors, SMP, KMP and other employees, the Company shall consider industry benchmarks and the competence of the persons and ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate them.
- The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.
- The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.
- The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.



Adhunik Industries Limited

v. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

vi. In addition to the remuneration, the Company shall make arrangements or reimburse the actual cost of travel, hotel and other incidental expenses (if any) of the Independent Directors for their attending the Board or Committee Meetings of the Company.

vii. An independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission (if any duly approved), as may be permissible under the Applicable Law.

9. CRITERIA FOR DETERMINING QUALIFICATIONS:

- i. Non-Executive Independent Directors are expected to bring in objectivity and independency during Board deliberations around the Company's Strategic approach, performance and risk management. They must also ensure very high standards of financial probity and corporate governance.
- ii. The Independent Directors are also expected to commit and allocate sufficient time to meet the expectations of their role as Non-Executive Independent Directors, to the satisfaction of the Board.
- iii. Conflict of Interest: The Independent Directors shall not involve themselves in situations which directly or indirectly may conflict with the interests of the Company. It is accepted and acknowledged that they may have business interests, other than those of the Company. As a pre-condition to their appointment as Independent Directors, they shall be required to declare any such conflicts to the Board, in writing in the prescribed format, at the time of their appointment.
- iv. Each Independent Director will be issued with clear guidelines on their roles, duties and responsibilities as Independent Directors. The key elements in which every Independent Director will be expected to contribute are: Strategy, Performance, Risk, People, Reporting and Compliance.



Adhunik Industries Limited

- v. The functions and responsibilities of Independent Directors shall be to :
- review the Company's strategy, annual financial plan and monitor the performance
 - review Management performance and compensation
 - review and decide on succession planning of Executive Officers of the Company
 - advice and counsel the Management
 - monitor and manage potential conflicts of interest of the Management
 - oversee and ensure the integrity of financial information and legal compliance
- vi. Confidentiality: The Independent Directors will be required to maintain utmost confidentiality of all confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information acquired by them during their appointment with the Company and should not disclose them, either during their appointment or after their cessation as Director (by whatever means) to third parties, without prior clearance from the Board/Managing Director and CEO of the Company, unless required by law.
- vii. The Independent Directors should also comply with the Company's Code of Conduct for Directors, which relates to non-disclosure of price sensitive information and non-dealing in the securities of the Company. Consequently, they should avoid making any statements or performing any transaction that might result in breach of these requirements without prior clearance from the Chairman or the Secretary.
- viii. Induction/Training of the Board: Every new Independent Director of the Board needs to attend an Orientation Program organized by the Company. Presentations will be made by Executive Directors/Senior Managerial personnel thereat, providing an overview of strategy, operations and functions of the Company. It will also provide an opportunity to the Directors to interact with senior leadership of the Company and help them to get ground level information on the Company's Products offering, Markets, Software Delivery, Organization Structure, Finance, HR, Technology, Quality facilities and Risk Management.
- ix. Dealing in Securities & Code of Conduct: In order to uphold ethical standards of integrity and probity, the Independent Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. Further, the Directors, being designated Officers of the Company for the purpose of Insider Trading guidelines, are required to pre-clear all major trades (buy/sell/gift) from the Managing Director and CEO of the Company and the Compliance Officer. They are also required to comply with the Company's Code of Business Conduct and Code of Conduct for prevention of Insider Trading.



Adhunik Industries Limited

- x. Evaluation: The Company has adopted a policy on Board Evaluation as provided under Companies Act, 2013 and as per the listing regulations, which entails an annual evaluation of the performance of the Board as a whole, the Board Committees and Directors. Thus, the Independent Directors' appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

10. REVIEW AND MONITORING:

The Committee or Board may review the Policy as and when necessary. This policy may be amended and substituted by the Board as and when required.

11. AMENDMENTS TO THE POLICY:

The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Statutory Authority.

12. DISCLOSURE OF THE POLICY:

The Company shall disclose this Policy on its website. The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act 2013.