

# **BANSWARA SYNTEX LIMITED**

## **Nomination and Remuneration Policy**

### 1. Preface:

- a. The Company considers its human resources as its asset. The Company has a system of payment of remuneration to all its employees which suits to the employees' role and responsibilities, employees' performance and contribution towards the achievement of Company's goals.
- b. This will cover nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other employees.
- c. This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under
  - 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;
  - 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"

### 2. Objectives of this Policy:

- a. To assess the person for appointment as Director, Key Managerial Personnel and Senior Management Personnel.
- b. To lay down criteria to carry out evaluation of the Director's performance.
- c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;
- d. To determine the composition of the Board and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

### 3. Definitions:

- a. "Board" means the Board of Directors of the Company.

- b. "Directors" means the Directors of the Company.
  - c. "Company" means Banswara Syntex Limited.
  - d. "Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.
  - e. "HR" means the Human Resource department of the Company.
  - f. "Key Managerial Personnel"(KMP) means
    - Managing Director or Whole-time Director or Manager;
    - Chief Executive Officer (CEO);
    - Chief Financial Officer (CFO);
    - Company Secretary (CS);
    - 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
    - such other officer as may be prescribed;
  - g. "Senior Management" shall mean the officers and personnel of the company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
  - h. "Senior Management Personnel" means, the individual who is / has appointed / joined at the post of Senior Management.
  - g. "Other employees" means, all the employees of the company other than the Directors, KMPs and the Senior Management Personnel.
4. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
  - Driven by the role played by the individual,
  - Reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay, consistent with recognized best practices and,
  - Aligned to any regulatory requirements.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

## **5. This Policy is divided into four parts as follows:**

### **I. Qualifications**

Criteria for identifying persons who are qualified to be appointed as a Directors / KMP / Senior Management Personnel and other employees of the Company:

#### **Personal specifications:**

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

#### **a. Directors**

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

#### **b. Independent Directors**

For appointing any person as an Independent Director, he/she should possess qualifications as mentioned in "criteria of Independence" as defined under Section 149(6) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

#### **c. Senior Management Personnel KMP and Other Employees**

The appointment of the Senior Management Personnel will be considered on the basis of the merit, relevant experience and knowledge / expertise required for meeting specific role /job requirement.

For the appointment of Key Managerial Personnel i.e. Managing Director, Whole Time

Director, Manager and Chief Executive Officer, the relevant experience and the qualification will be considered.

For the appointment of Chief Financial Officer, the person should be Chartered Accountant (CA) with relevant experience.

For the appointment of Company Secretary, the person should be Company Secretary (CS) with membership of Institute of Company Secretaries of India along with relevant experience.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Whole time Director / Managing Director based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

## **II. Remuneration**

### **a. Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel**

Remuneration for MD, WTD is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him / her fairly and responsibly. The remuneration to the MD & CEO comprises of salary, perquisites and benefits as per policy of the Company and performance-based incentive apart from retirement benefits like P.F./ Superannuation, Gratuity, Leave Encashment, etc. as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended / approved by the NRC / Board and subject to the approval of shareholders, if applicable.

The Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The total salary includes fixed and variable components.

### **b. Structure of Remuneration for Non-executive Director**

Non-Executive Directors and Independent Directors are being paid fees for attending meeting of the Board of Directors of the Company and Committees thereof, apart from incidental expenses incurred in discharge of their duties. The Company reimburse them travelling expenses or other expenses they incur for attending the above meetings as well as General Meetings or to attend other events for Company's Affairs.

Any increase in the maximum aggregate remuneration payable to Non-Executive Directors beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the General Meeting by way of resolution and/or of the Central Government, as may be applicable.

### **c. Structure of Remuneration for Other Employees**

The power to decide structure of remuneration for other employees has been delegated to HR Department of the Company.

- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment (suffers a covered injury like loss of limbs or vital functions) through personal accident insurance.
- The Company provides retirement benefits as applicable.

### **III. Evaluation**

- a. Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

- b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be done by the Whole Time Directors based on their day to day performance.

- c. Criteria for evaluating performance of Other Employees

The power to decide criteria for evaluating performance of Other Employees has been delegated to HR Department of the Company.

### **IV. Succession Plan for the Board and Senior Management**

The Nomination and Remuneration Committee of the Company shall oversee and review succession plans from time to time and recommend the same to the Board.

- i) Succession Plan for the Board

The Nomination and Remuneration Committee shall proactively review the succession requirements for the Board and carry out the due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on his educational qualification, relevant experience, track record, reputation etc.

The proposed candidate shall be evaluated by the Nomination and Remuneration Committee to determine the eligibility and proper criteria as per the Companies Act 2013,

and if any, and thereafter such candidate shall be recommended to the Board for its consideration and approval.

ii) Succession Plan for Key Managerial Personnel /Senior Management

Based on the inputs received from the Human Resource Department, the Nomination and Remuneration Committee shall periodically review any vacancy / probable vacancy in the position of Key Managerial Personnel or Senior Management which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

The Whole-Time Director along with the Head - HR:

- a. shall periodically review and consider the list of Senior Management / Key Managerial Personnel due for retirement / vacancies arising out of attrition during the year.
- b. shall also consider the new vacancies that may arise due to the business needs/restructuring of functions/departments.
- c. In case any Senior Management/ Key Managerial Personnel is due for retirement, will review the possibility of an extension of such personnel on basis of the health, age and the persons' willingness to continue for an extended term. In case, if an extension is possible, such case is forwarded to the NRC of the Board for its approval.
- d. In case such a position is to be filled through internally or externally, will evaluate the suitable candidates for the said positions internally as well as externally on basis of the criteria such as job role, experience, leadership qualities, competencies, track record etc.
- e. shall from time to time identify high potential employees who merit faster career progression to positions of higher responsibility and give them adequate skill development and training requirements for their successful career progression.

In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart and hierarchy may take interim charge of the position, pending a regular appointment in terms of the succession plan.

In addition to the above, the appointment of Key Managerial Personnel shall be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under) and Listing Regulations.

## **6. Policy implementation**

The Nomination and Remuneration Committee is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy

## **7. Communication of this Policy**

This Policy shall be posted on the web-site of the Company and link of the same be provided in the Annual Report of the Company, as per the requirement of the Act/Regulations.

## **8. Amendment**

Any change in the Policy shall, on recommendation of Nomination 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 in this Policy and this Policy shall stand amended accordingly.

## **9. Disclosures**

Information on the total remuneration of members of the Company's Board of Directors, Managing Director and Executive Directors and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

**Approved in Board meeting  
held on 6<sup>th</sup> August 2024**

\*\*\*\*\*