

JASCH INDUSTRIES LTD

REMUNERATION POLICY

POLICY ON REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTORS, COMPANY SECRETARY & CHIEF FINANCIAL OFFICER (COLLECTIVELY KNOWN AS KEY MANAGERIAL PERSONNEL OR “KMPs”)

This Policy concerns the remuneration to Managing Director, Whole Time Directors, Company Secretary and Chief Financial Officer (Collectively known as Key Managerial Personnel or “KMP”) employed in Jasch Industries Ltd. The KMPs are also functional heads of the Company. This policy does not concern other executives of the Company.

1. Identification and recommendation of suitable personnel:

In accordance with provisions of law/listing Regulations and as part of a succession plan, the persons, who are qualified to become directors and who may be appointed in senior management, will be identified by the Nomination & Remuneration Committee constituted by the Board, which shall recommend to the Board their appointment and removal.

Provided that the Company Secretary and the Chief Financial Officer shall be deemed to be the senior management personnel.

2. Guiding principles for remuneration

The guiding principles for fixation of remuneration of KMPs are as follows :

- 2.1 The remuneration will be based on the qualifications, experience and personality traits of the KMP.
- 2.2 The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate KMPs of the quality required to run the company successfully;
- 2.3 The Company will endeavor to match the remuneration of KMPs as per best industry standards.
- 2.4 Relationship between remuneration to performance will be clear and will meet appropriate performance benchmarks; and

- 2.5 The remuneration to KMPs will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

3. Fixed pay

The fixed pay of KMPs shall be competitive and based on the individual executive's responsibilities and functions. NRC may grant suitable annual increments to key managerial personnel and senior management personnel, keeping in view their individual performance, company performance, industry practice and inflation.

4. Variable pay, incentive schemes and relation between fixed and variable components of the remuneration and the linkage between performance and remuneration

In order to motivate the KMPs to perform their best, they will be paid incentive pay equivalent to 0.5% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013 provided that such incentive will not be less than 10% and will not be more than 25% of their respective fixed annual pay.

5. The principal terms of other benefits, notice of termination and severance pay

5.1 Other benefits

- 5.1.1 All KMPs will be entitled to a Special Allowance not exceeding six months' salary in a year, to cover housing, conveyance, medical, electricity, gas, water and other personal expenses.
- 5.1.2 All KMPs will be entitled to customary non-monetary benefits such as chauffeur driven car, subsidized health care insurance/medical, mobile phone and telephone at residence and gratuity as per law.
- 5.1.3 All KMPs will be entitled one month's paid leave during a financial year or encashment in lieu thereof.
- 5.1.4 All KMPs will be entitled to Leave Travel Concession (or encashment in lieu thereof) for self and family members once during a block of four years, subject to the condition that such concession shall not exceed one month's fixed pay.
- 5.1.5 In case any KMP has given a personal guarantee for securing financial assistance from banks/financial institutions, then such KMPs will be entitled to a guarantee commission at a rate to be determined by the Nomination & Remuneration Committee.

- 5.1.6 In case any KMP has provided any loan to the Company, then such KMP will be entitled to receive interest thereon at an annual rate 1% below the rate at which the Company has borrowed from the bank(s).
- 5.1.7 Appointments of KMPs will be terminable at either end, by giving three months' notice in writing.
- 5.1.8 To attract and retain the KMPs for longer years, all KMPs who have put in a minimum of 15 years of continuous service ("qualifying service") in the Company, will be entitled to severance pay calculated @ half month's pay for each completed year of qualifying service, on their attaining the age of superannuation or on termination of their service otherwise for misconduct. Any part of the year exceeding 182 days will be treated as full year.
- 5.1.9 Notwithstanding anything contained in this Remuneration Policy, the total gross emoluments of Managing Director and whole time directors shall not exceed the limits prescribed under law.
- 5.1.10 The remuneration will be suitably bifurcated for tax management purposes and will be subject to applicable tax deduction at source.

6. Criteria for determining qualifications, positive attributes and independence of a director

- 6.1 Qualifications : An independent director shall not have incurred any disqualification as contained in Section 164 of the Companies Act, 2013 and Rules made thereunder, currently in force or as may be amended from time to time.
- 6.2 Positive attributes : Every independent director shall be a person of integrity and possess relevant experience and expertise relating to the field of accounting, management, business, law or taxation or other field which may be of benefit to the Company.
- 6.3 Independence : Every independent director shall have all the qualifications as mandated in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and the provisions of Listing Regulations (or as may be amended from time to time).

7. Evaluation of performance of the Board, its Committees and individual directors

The Nomination & Remuneration Committee shall specify the manner for effective evaluation of performance of 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.

8. Responsibility for adhering to this policy

It will be the responsibility of the Managing Director to adhere to this policy. He will periodically affirm to the Committee/Board that this policy is being followed.

9. Authority to decide change in/deviation from this Policy

On the recommendations of the Nomination & Remuneration Committee, the Board of Directors may change or deviate from this Policy if there are specific reasons to do so in an individual case, provided that – (1) reasons for deviation are recorded in the minutes book (2) the policy shall not be changed to the detriment of a KMP without his consent.

KULDEEP SINGAL
CHAIRMAIN NRC

KL KHETARPAUL
MEMBER NRC

NARESH KUMAR
MEMBER NRC

JAI KISHAN GARG
CMD

RAMNIK GARG
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