

NOMINATION AND REMUNERATION POLICY

I. INTRODUCTION

This Policy is prepared accordance with provisions of Companies Act, 2013, ('the Act') including rules thereof. It applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of La-Gajjar Machineries Private Limited ('the Company').

II. DEFINITIONS

1. **"Board"** means Board of Directors of the Company.
2. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board from time to time.
3. **"Key Managerial Personnel"** (KMP) means
 - a) Chief Executive Officer or Managing Director or the Manager,
 - b) Whole-time Director
 - c) Chief Financial Officer
 - d) Company Secretary and
 - e) such other officers as may be prescribed under the Act from time to time
4. **"Senior Management Personnel"** (SMP) means personnel of the Company who are members of the core management team, excluding Board of Directors and are one level below the Executive Director / Chief Executive Officer including Functional Heads.

III. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP

1. The Committee shall consider the qualification, skill, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
2. The Company should ensure that the person so appointed as Director is not disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations, 2015 or any other enactment for the time being in force.
3. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force.
4. The Committee may recommend to the Board for removal of a Director on account of

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any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground. The Committee may also recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of the applicable Act, rules and regulations.

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

IV. REMUNERATION OF DIRECTOR, KMP AND SMP

A) DIRECTORS

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors on the basis of recommendation of the Committee subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') as applicable from time to time.

i. EXECUTIVE DIRECTORS:

The Company shall enter into a contract with every Executive Director which will set out the terms and conditions of appointment and tenure as recommended by the Committee and approved by the Board.

The Board may vary any terms or conditions of the contract from time to time within the tenure subject to such approvals as may be required under the Act.

The remuneration shall include *inter alia* Fixed salary consisting of basic salary and such allowances and perquisites as may be approved by Board based on recommendation of Committee, subject to overall limits as prescribed under the Act.

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the Committee on the basis of the performance evaluation of the director undertaken by the Committee and the Board.

ii. NON-EXECUTIVE DIRECTORS:

The Company shall issue a letter of appointment to every Non-Executive Independent Director.

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The remuneration shall include:

a. Sitting fees :

Sitting fees shall be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act.

Committee shall include Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee or such Committees as may be constituted by the Board from time to time.

b. Commission:

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the Committee on the basis of annual performance evaluation of the director.

c. Professional fees:

Non-Independent Directors may be paid fees for services of professional nature, if in the opinion of Committee the director possesses the requisite qualification for the practice of the profession. Such professional fees shall not be considered as remuneration for the purpose of Act.

B) KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT PERSONNEL

The Remuneration of the Senior Management Personnel and KMPs shall be in accordance with the Policy of the Company which is applicable to the employees. The Committee may consider the remuneration of a Senior Management Personnel keeping in view of the performance of the Business/ Function and also the contribution of the Business/ Function towards the overall performance of the Company.

C) DIRECTORS & OFFICERS LIABILITY INSURANCE:

The Company may take Directors & Officers liability insurance or such insurance of like nature for indemnifying any of the Directors or its KMP against any liability in respect of any negligence, default, misfeasance, breach of duty or 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 remuneration payable to Managing Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary. Provided that if any, such person is proved to be guilty, the premium paid shall be treated as part of the remuneration.

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V. CRITERIA FOR EVALUATION OF BOARD

The evaluation of Board shall be carried out annually as per provisions of the Act including rules thereof. Performance Evaluation of each director will be based on the criteria as laid down from time to time by the Nomination and Remuneration Committee.

i. Executive Director

Performance evaluation of each Executive Director will be based on achievement against the key short and long term performance objectives.

ii. Non-Executive Director

Performance evaluation of each Non-Executive Director will be based on attendance in board and its committee meeting, membership / chairmanship of the committees of the Board, time devoted for the Company, contribution in the Board process and such other criteria as may be considered by the Committee from time to time.

VI. AMENDMENT

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate or in accordance with any amendment to the applicable provisions of the Act, including rules thereof.

For La-Gajjar Machineries Private Limited



T. Vinodkumar
Chairman

Date: 17 January 2018