

SURYA ROSHNI LIMITED

Regd. Office: Prakash Nagar, Sankhol, Bahadurgarh, Haryana- 124507

Corporate Office: 1, Padma Tower, Rajendra Place, Rajendra Place, New Delhi, DL 110008

CIN: L31501HR1973PLC007543|Website: www.surya.co.in |

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

The Board of Directors (“Board”) of Surya Roshni Limited (“Company”) has adopted the following policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other employees.

This Policy will be applicable with effect from May 19, 2022 and has been formulated in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013, & Rules made thereunder and the Listing Agreement.

2. POLICY OBJECTIVE

- 2.1.** To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by the Nomination & Remuneration Committee and recommend to the Board their appointment and removal;
- 2.2.** To lay down criteria to carry out evaluation of every Director’s /KMP/Senior Management Personnel and other employees performance;
- 2.3.** To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies in the auto ancillary industry;
- 2.4.** To formulate criteria for determining qualification, positive attributes and Independence of a Director;
- 2.5.** To recommend to the Board a policy, relating to remuneration of directors, key managerial personnel and other employees;
- 2.6.** To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;

2.7. To lay down the criteria for appointment, and make recommendation to the Board for the appointment, removal and evaluation of the Directors, Key Managerial Personnel (KMPs), Senior Management (One Level Below the Board) and Functional Heads of the Company.

3. DEFINITIONS

3.1. “**Board of Directors**” means the “Board of Directors” of Surya Roshni Limited;

3.2. “**Company**” means Surya Roshni Limited;

3.3. “**Directors**” shall mean the directors of the Company;

3.4. “**Independent Director**” means a Director who satisfies the criteria of independence as prescribed under the Companies Act 2013 and the Listing Agreement with the Stock Exchanges;

3.5. “**Key Managerial Personnel**” or KMP means key managerial personnel as defined under the Companies Act, 2013 and includes:-

- I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- II. Company Secretary; and
- III. Chief Financial Officer
- IV. Such other officer as may be prescribed

3.6. “**Nomination & Remuneration Committee**” or “**Committee**” means “Nomination & Remuneration Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the Listing Agreement with the Stock Exchanges;

3.7. “**Policy**” means the Nomination & Remuneration Policy;

3.8. “**Other employees**” means, all the employees other than the Directors, KMPs and the Senior Management Personnel;

3.9. “**Senior Management Personnel**” means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs, comprising of all members of management on level below the Executive Directors including the functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. POLICY

4.1. APPOINTMENT & REMOVAL

Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:

- 4.1.1. The Committee shall consider the ethical standards of integrity and probity, qualification, 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.
- 4.1.2. A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.
- 4.1.3. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- 4.1.4. 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, Listing Agreement or any other enactment for the time being in force.
- 4.1.5. The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'. The indicative form to be filled out is placed as **Annexure 1** to this Policy.
- 4.1.6. The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the

term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

4.1.7. The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and functional heads.

4.1.8. The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.

4.1.9. The Committee shall recommend any necessary changes to the Board.

4.2. TERM / TENURE

The term and tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and Listing agreement as amended from time to time. The term and tenure of the KMPs and Senior Management Personnel's and other employees shall be as per the Company's prevailing policy.

4.3. REMOVAL

Due to reasons for 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 recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations and Listing Agreement.

4.4. RETIREMENT

The Company aims to enhance the effectiveness of the Board by diversifying it in line with the diversity policy of the Board and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

4.5. DIVERSITY ON THE BOARD OF THE COMPANY

The Policy shall confirm with the following two principles for achieving diversity on its Board:

- ✚ Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- ✚ For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:

- Gender- The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.
- Age- Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.
- Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.
- Educational qualification- The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

4.6. REMUNERATION

- 4.6.1. The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also 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

4.6.2. The remuneration/ compensation/ commission etc. to the whole-time director, KMP and senior management & functional heads will be determined by the Committee and recommended to the Board for approval.

4.6.3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which shall be within the slabs approved by the shareholders in the case of whole-time director.

4.6.4. Remuneration to the Director/ Managing Director

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4.6.5. Remuneration to the Non-Executive Independent Directors

The Non-Executive Independent Director and Non-Executive Non-Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4.6.6. An Independent Director shall not be entitled to any stock option of the Company.

4.6.7. Remuneration to Senior Management Personnel / KMPs

The remuneration to be paid to Senior Management Personnel / KMPs shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Managing Director & CEO of the Company in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

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

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

4.7. EVALUATION

4.7.1. The Committee shall carry out evaluation of performance of every Director.

4.7.2. The Committee shall consider the following factors when reviewing a potential candidate for Board/ KMP/ Senior Management/ Functional Head:

- a. The skills, relevant experience, expertise and personal qualities that will best complement the position;
- b. Potential conflicts of interest, and independence;
- c. Detailed background information and performance track record;
- d. the ability to exercise sound business judgment;
- e. availability to attend Board and Committee meetings; and
- f. appropriate experience and/or professional qualifications.

4.7.3. Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013.

5. DISCLOSURE

A copy of this Policy has been made available on the website of the Company's for public information. An outline of this Policy together with the measurable objectives set forth herein implementing this Policy will be disclosed in the annual Corporate Governance Report and the Board Report of the Company. The report shall also disclose the progress made towards achieving such objectives.

6. AMENDMENT

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

Annexure-1- Criteria for determination of the ‘Fit and Proper Criteria’.

Name of Company: SURYA ROSHNI LIMITED

Declaration and Undertaking

I. Personal details of the Candidate/ Director

a.	Full name	
b.	Date of Birth	
c.	Educational Qualifications	
d.	Relevant Background and Experience	
e.	Permanent Address	
f.	Present Address	
g.	E-mail Address/ Telephone Number	
h.	Permanent Account Number under the Income Tax Act	
i.	Relevant knowledge and experience	
j.	Any other information relevant to Directorship of the Company.	

II. Relevant Relationships of Candidate/ Director

a.	List of Relatives if any who are connected with the Company (w.r.t. the Companies Act, 2013)	
b.	List of entities, if any, in which he/she is considered as being interested [w.r.t. Section 184 of the Companies Act, 2013]	
c.	List of entities in which he/she is considered as holding substantial interest within the NBFC Prudential Norms Directions, 2007	
d.	Names of other Companies in which he/ she is or has been a member of the board during the last 3 years (giving details of period during which such office was held)	
e.	Fund and Non Fund facilities, if any, presently availed of by him/ her and/ or by entities listed in II (b) and (c) above from the Company.	

f.	Cases, if any, where the Candidate/ Director or entities listed in II (b) and (c) above are in default or have been in default at any time in the last five (5) years in respect of credit facilities obtained from NBFC or any other NBFC/ Bank	
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III. Records of professional achievements

a.	Relevant Professional achievements	
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IV. Proceedings, if any, against the Candidate/ Director

a.	If the person is a member of a professional association/ body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry of at any profession/ occupation at any time.	
b.	Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the person and/ or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations.	
c.	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five (5) years against the person.	
d.	Whether the person attracts any of the disqualifications envisaged under Section 164 of the Companies Act 2013?	
e.	Has the person or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?	
f.	Has the person at any time been found guilty of violation of rules/ regulations/ legislative requirements by customs/ excise/ income tax/ foreign exchange/ other revenue authorities? If so, give particulars	
g.	Whether the person at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA	

V. Any other explanation/ information in regard to items I to III and other information considered relevant for judging fit and proper.

Undertaking

1. I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Company fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.
2. I also undertake to execute the deed of covenant required to be executed by all directors of the Company.

Place:

Signature

Date:

VI. Remarks of Nomination Committee

Place:

Signature

Date: