

KAKATIYA CEMENT SUGAR AND INDUSTRIES LIMITED

REMUNERATION POLICY

(Nomination and Remuneration committee)

OBJECTIVE:

The Remuneration policy has been formulated in accordance with Section 178 of the Companies Act, 2013 and relates to the remuneration for the Directors, and key Managerial Personnel of the company.

The objective of the Remuneration policy is to enable a frame work that allows for competitive and fair reward for the achievement of Key deliverables and also aligns with practice in the industry and expectation of shareholders. Apart from the above, it also ensures good corporate governance.

The Nomination and Remuneration committee shall approve the remuneration or revision in the remuneration payable to the Executive Directors/Whole-Time Directors. The Committee shall identify persons who are qualified to become directors and who may be appointed as key managerial personnel in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director. The Committee may also determine a policy on diversity of Board of Directors.

Remuneration Guidelines

Whole-Time Directors

The remuneration paid to Chairman and Managing Director/and other Executive Directors is determined keeping in view the industry benchmark, the relative performance of the company to the industry performance, macro-economic review on remuneration packages of other organizations and performance benchmark.

The remuneration payable to Whole-Time Directors is proposed by the Company's Nomination and Remuneration Committee, subject to overall ceilings stipulated in Sections 198 and 309 of the Companies Act 1956, Schedule XIII of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013. It is subsequently approved by the Board of Directors, shareholders of the Company and if required by the Central Government. The appointment is based on the expertise in the relevant industry, corresponding sectors and exposure of the Individual concerned. The Nomination and Remuneration committee while recommending the remuneration shall ensure that

- (a) 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;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (c) the Remuneration of key managerial personnel will also depend upon the qualifications, experience and exposure to various facets of the domain skills. The parameters will also include the remuneration being paid in similarly placed entities. Remuneration to directors, key managerial personnel might involve, if deemed proper, a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to working of the Company and its goals;
- (d) Perquisites and retirement benefits to Whole-Time Directors and key managerial personnel will be paid according to the policy of the company as applicable to each category subject to prescribed statutory ceilings in this regard.

The Nomination and Remuneration Committee may also decide to remove a particular Director based on the performance evaluation of Independent Directors.

Independent Non-Executive Directors

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Non-Executive Directors receive sitting fees for attending the Board meeting and other Committees as approved by the Board of Directors. No other fee is paid to the Non-Executive Directors including the independent directors.

Disclosure of Information

Information on the total remuneration of the Board of Directors, shall be disclosed in the annual financial statements.

Key Managerial Personnel in relation to a company means

- Chief Executive Officer or Managing Director
- Company Secretary
- Whole Time Directors
- Chief Financial Officer

The Remuneration policy can be reviewed by the Nomination and Remuneration Committee if circumstances warrant such review in which case the revised policy shall be placed before the Board for its approval.