



## **MANBA FINANCE LIMITED**

CIN: U65923MH1996PLC099938  
324 Runwal Heights, L. B. S. Road, Opp. Nirmal Life Style, Mumbai MH 400080  
Website: <http://www.manbafinance.com/>

## **NOMINATION AND REMUNERATION POLICY**

## **I. PREAMBLE:**

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

Section 178 of the Act provides that the Committee shall recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, further the Committee shall also formulate the criteria for determining qualifications, positive attributes and independence of a director.

## **II COMPOSITION:**

The Board of Directors reconstituted the Committee on April 30, 2015 comprising of the following Committee Members:

- |                          |                                    |
|--------------------------|------------------------------------|
| 1. Mr. Anshu Shrivastava | Non-Executive Independent Director |
| 2. Mr. Abhinav Sharma    | Non-Executive Independent Director |
| 3. Mr. Kirit R. Shah     | Non-Executive Director             |

## **III OBJECTIVE:**

The Key Objectives of the Committee would be:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

## **IV. DEFINITIONS:**

1. The "Act" means the Companies Act 2013 and Rules framed thereunder as amended time to time.
2. Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company;
3. "Company" means "**MANBA FINANCE LIMITED.**"
4. "independent director" means an independent director referred to in sub-section (5) of section 149;
5. "Key Managerial Personnel" (KMP) means
  - a. Chief Executive Officer or the Managing Director or the Manager,
  - b. Company Secretary,
  - c. Whole-time Director,
  - d. Chief Financial Officer and
  - e. Such other officer as may be prescribed;
- i. "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013;
- ii. "Policy or This Policy" means, "Nomination and Remuneration Policy" ;

- iii. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

#### **V. GUIDING PRINCIPLES:**

The Policy ensures that:

1. 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;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
3. Remuneration to directors, KMPs 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.

#### **VI. ROLE OF COMMITTEE ARE AS FOLLOWS:**

The role of the Committee inter alia will be the following:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
2. Recommend to the Board their appointment and removal,
3. Carry out evaluation of every director's performance.
4. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
5. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

#### **VII. MEMBERSHIP:**

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **VIII. CHAIRMAN:**

- a) Committee shall be chaired by an Independent Director.
- b) Chairman of the Company, if any, may be appointed as a member of the Committee but shall not Chair the Committee.
- c) Members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **IX. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **X. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **XI. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

### **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall appoint/ re-appoint as Managing Director/Whole-time Director/Manager in Compliance with the provisions of the Companies Act, 2013, Guidelines issued by Reserve Bank of India, Listing Obligations and Disclosure Requirement issued by Securities & Exchange Board of India and other Regulatory Authorities from time to time. 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.

### **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person)  
The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director  
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation: The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

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, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

Retirement: The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **XIII REMUNERATION PAID TO EXECUTIVE DIRECTORS:**

- i. The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.
- ii. At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the company. The elements of the remuneration and limits are pursuant to the Companies Act 2013.

#### **Remuneration Policy Structure**

The remuneration structure for the Executive Directors would include the following components:

- (i) Basic Salary
  - i. Provides for a fixed, per month, base level remuneration.
  - ii. Are normally set in the home currency of the Executive Director and reviewed annually.
  - iii. Will be subject to an annual increase as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors.
- (ii) Commission
  - i. Executive Directors will be allowed remuneration, by way of commission which is in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.
  - ii. Subject to the condition that the amount of commission shall not exceed 1% of net profit of the company in a particular financial year in the manner referred in Section 197 & 198 of Companies Act 2013.
  - iii. The amount of commission shall be paid subject to recommendation of the Nomination and Remuneration committee and approval of the Board of Directors.
- (iii) Perquisites and Allowances

A basket of Perquisites and Allowances would also form a part of the remuneration structure.
- (iv) Contribution to Provident and Other funds

In addition to the above, the remuneration would also include:

- i. Contribution to Provident Funds
- ii. Gratuity, If any

**(v) Minimum Remuneration**

If in any financial year during the tenure of the Executive Directors, the company has no profits or its profits are inadequate, they shall be entitled to, by way of Basic Salary, Perquisites, allowances, not exceeding the ceiling limit as per the resolution passed under of the Companies Act, 2013

**XIV. REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS**

The Remuneration to the Non-Executive Directors would be as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors. It would be pursuant to the provisions of the Companies Act 2013.

**XV. REMUNERATION PHILOSOPHY FOR KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT & STAFF**

The Company shall review, at least annually, the Key Management personnel's remuneration arrangements in light of current market benchmarks and expert advice on remuneration levels and, with due consideration to law and corporate governance principles. Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive. The annual appraisal of the Key Management personnel is based on a detailed performance evaluation of their Key Performance Indicators (KPI's)

**XVI. MINUTES OF COMMITTEE MEETING**

Proceedings of all Meetings must be recorded in the Minutes book and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**XVII. AMENDMENTS**

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.