KRANTI INDUSTRIES LIMITED

NOMINATION AND REMUNERATION POLICY

VERSIONS OF POLICY

Rev. No.	Description of Change	Approved by	Rev. Date	Effective Date
1	Original Policy	Board of Directors	-	10.02.2016
2	Revised Policy	Board of Directors	04.11.2025	04.11.2025

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(Effective from November 04, 2025)

1. Introduction:

Kranti Industries Limited (hereinafter referred to as "KIL" or "Company") has formulated this policy in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any amendment or modification thereof).

This Policy outlines the framework for the nomination and remuneration of Directors, Key Managerial Personnel (KMP), and Senior Management of the Company. It has been formulated by the Nomination and Remuneration Committee (hereinafter referred to as the "NRC" or "the Committee") and duly approved by the Board of Directors.

The Company recognizes that its human resources are invaluable assets. Accordingly, this Policy aims to help individuals realize their full potential by aligning their aspirations with the strategic goals of the Company. It reflects the Company's commitment to sound corporate governance practices and the creation of sustained, long-term value for its shareholders.

2. Definitions:

"**Board**" means Board of Directors of the Company.

"**Committee**" means Nomination and Remuneration Committee (NRC) of the Company as constituted or reconstituted by the Board.

"**Company**" means Kranti Industries Limited.

"**Director**" means a director appointed to the Board of the Company including executive, non-executive and independent directors.

"**Key Managerial Personnel**" means key managerial personnel as defined under the Companies Act, 2013;

1. The Chief Executive Officer or the Managing Director or the Manager;
2. The Company Secretary;
3. The Whole-Time Director;
4. The Chief Financial Officer;
5. Such other officer, not more than one level below the directors who is in whole time employment, designated as key managerial personnel by the Board any other person appointed as the Key Managerial Personnel by the Board of Directors of the Company.

"**Policy**" means this Nomination & Remuneration Policy.

"**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 and other statutory benefits.

"**SEBI (LODR) Regulations, 2015**" or "**Listing Regulations, 2015**" means the Securities Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

"**Senior Management**" means the officers and personnel who forms part of the Company's core management team. This includes all management members who are one level below the CEO / Managing Director / Whole-time Director / Manager (including CEO or Manager if they are not on the Board). It specifically covers all functional heads (by whatever designation called) and all Key Managerial Personnel (other than the Board of Directors) as identified/designated by the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013/ Listing Regulations, 2015 as may be amended from time to time and shall have the meaning respectively assigned to them therein.

3. Applicability:

This policy is applicable to:

a) Directors, including Non-Executive Directors;
b) Key Managerial Personnel("KMP"); and
c) Senior Management Personnel("SMP")

4. Guiding principle:

The guiding principle is that the nomination, terms of employment and remuneration should effectively help in attracting and retaining committed and competent personnel. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

5. Objective:

The Key Objectives of this policy would be:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration;

- To evaluate the performance of the members of the Board as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation of the Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity; and
- To develop a succession plan for the Board and to regularly review the plan

6. CONSTITUTION OF COMMITTEE

1. The Board of Directors of the Company (the Board) constituted the committee known as "Nomination and Remuneration Committee" consisting of three or more non- executive directors out of which at least two-thirds are independent directors.
2. The Composition of Nomination and Remuneration Committee as follows:

SR. NO	NAME OF COMMITTEE MEMBERS	DIN	POSITION IN COMMITTEE	CATEGORY
1	Mr. Vijay Shamrao Bodhankar	05003810	Chairman	Non-Executive Independent Director
2	Mr. Satchidanand Arun Ranade	03525423	Member	Non-Executive Independent Director
3	Mr. Rajasatyen Mohan Pardeshi	00395173	Member	Non-Executive Independent Director

3. The Chairman of the Committee shall be an Independent Director.
4. The Chairperson of the Company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

5. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

6. The Chairperson of the Committee or in his absence, any other member of the committee authorised by him in this behalf shall attend the General Meetings of the Company to answer the shareholders' queries.

7. The Company Secretary shall act as the secretary for Committee meetings.

8. The Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.

9. The quorum for the Committee meeting shall be one third of its total strength or two members, whichever is higher, including at least one Independent Director and the participation of the members by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

10. A member of the Committee is not entitled to participate when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

11. The Committee shall meet at least once in a year. Further, the meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and Rules made thereunder and as per the applicable law, if any, for the time being.

7. ROLES AND RESPONSIBILITIES OF COMMITTEES /TERMS OF REFERENCE

The Committee is responsible for:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy; recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel;

2. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

3. Advising the Board on issues concerning principles for remuneration of Directors (including Non-Executive Directors),

key managerial personnel and senior management. The Nomination and Remuneration Committee shall, while formulating the principles for remuneration ensure that—

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel 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;

4. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
5. Based on the Evaluation decide, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Devising a policy on diversity of Board of Directors;
7. Monitoring and evaluating current remuneration structures and levels in the Company; and
8. Any other responsibility as determined by the Board.

8. POWERS OF COMMITTEE

The Committee shall have inter-alia following powers:

1. Conduct studies or authorise studies of issues within the scope of the Committee and will have access to necessary books, records, facilities and personnel of the Company;
2. Retain or seek advice of consultants and experts for performance of their role under this Policy.
3. Delegate its powers or form sub-committees to perform any of its functions or role under this Policy, subject to approval of the Board.

9. APPOINTMENT OF DIRECTORS, KMP AND SMP

9.1 Appointment of Directors

a. The Committee shall identify persons who are qualified to become directors in accordance with the criteria laid down, and recommend to the Board of Directors their appointment.

b. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director.

c. Further, for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.

d. The Committee shall decide whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of independent directors.

e. The appointment of the Non-Executive and Independent Directors are subject to the recommendation of NRC and approval of the Board of Directors and Shareholders. The Company shall comply with the provisions of Section 178 the Companies Act, 2013 and the related rules framed thereunder, from time to time, for appointment of the Managing Director, Executive Director and Independent Directors.

f. The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director 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.

g. 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 re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report as per the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9.2 Appointment of KMP and SMP:

The Committee shall recommend to the Board of Directors, the appointment of KMP and SMP in accordance with the criteria laid down.

The Committee shall have the discretion to consider and fix criteria for the appointment of KMP and SMP which shall include the following:

- The job description and responsibilities must be clearly defined;
- The candidate being considered must be a functional expert in the relevant field of work.
- The candidate shall be interviewed by MD and/or by the any other senior personnel authorised by MD.

In case of KMP, the candidate so identified shall be recommended by the NRC, if found suitable, to the Board of Directors for the appointment.

9.3 General guidelines for appointment of a Director, KMP and SMP

a. While recommending the appointment of any Director, the Committee shall make sure that diversity guidelines are being adhered to.

b. Appointment of Directors, KMP and SMP shall also be governed by the provisions of the Act and compliance of the SEBI (LODR) Regulations, 2015.

c. The appointment of Directors, KMP shall be done by the Board on the recommendation of Committee.

d. The appointment of SMP shall be made in accordance with the Human Resource guidelines of the Company.

10. REMUNERATION:

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Committee while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Committee considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

10.1 Remuneration to Directors and KMP:

a. The remuneration, compensation, commission, etc. to the Directors and KMP will be determined by the Committee and recommended to the Board for approval. The remuneration, compensation, commission, etc. to Directors shall be subject to the prior/post approval of the members of the Company and Central Government, wherever required.

b. The remuneration and commission to be paid to the Directors shall be as per the statutory provisions of the Act and the rules made there under and/or the SEBI (LODR) Regulations, 2015, for the time being in force.

c. Increments to the existing remuneration/compensation structure of the Directors and KMP shall be recommended by the Committee to the Board which should be within the limits approved by the members in the case of the Directors.

➢ **Remuneration to the Executive Directors and KMP:**

✓ **Fixed pay:**

- Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board, on the recommendation of the Committee in accordance with the statutory provisions of the Act and the rules made thereunder and/or the SEBI (LODR) Regulations, 2015, for the time being in force.

- The remuneration approved shall clearly provide break-up of the pay scale and quantum of perquisites including, employer’s contribution to provident fund, pension scheme, medical expenses, other Indirect Benefits, etc.

✓ **Variable Components:**

- The Executive Director and KMP may be eligible for performance linked variable pay which will be based on the individual and the Company’s performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration. The details of such variable component shall be clearly defined while obtaining the approval of the

Board and members. Further, the manner in which performance shall be appraised shall also be objectively defined by the Committee. For the Executive Directors, performance linked remuneration can be in form of incentives based on the Key Performance Indicators (KPI), Goal Sheet, etc.

✓ **Subsequent Change/Increments:**

- Any subsequent change/increments in the remuneration of the Executive Directors shall be approved by the Board in accordance with the recommendation of the Committee, subject to the statutory provisions within the limits approved by the members.

- Any subsequent change/increments in the remuneration of KMP (other than the Executive Directors) shall be in accordance with Human Resource guidelines of the Company and terms & conditions of their appointment.

✓ **Reimbursement of expenses:**

- The Executive Directors and KMP shall be reimbursed with the expenses incurred by them as per the applicable policies of the Company, from time to time.

➢ **REMUNERATION TO THE DIRECTORS OTHER THAN THE EXECUTIVE DIRECTOR:**

✓ **Sitting Fees:**

- The Non-Executive and Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be fixed by the Board.

  Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government, from time to time.

✓ **Limit of Remuneration/Commission:**

- Remuneration/Commission may be paid within the monetary limit recommended by the Committee and approved by the Board and members, subject to the limit under the applicable provisions of the Act.

➢ **PROVISIONS FOR EXCESS REMUNERATION:**

If any Director draws or receives, directly or indirectly, by way of remuneration any such sum in excess of the limits prescribed under the Act or without the prior sanction as may be required under the Act, he/she shall refund such sum to the Company within such time as may be specified by the Committee/Board of Directors and until such sum is refunded, hold it in trust for the Company.

10.2 Remuneration to SMP:

The Human Resource Manager of the Company in consultation with the Chief Operating Officer and Executive Directors from time to time decide the remuneration payable to SMP including their increments.

Remuneration to SMP may consist of the following components:

Fixed pay:

- SMP shall be eligible for a monthly remuneration as may be in accordance with the statutory provisions of the Act and the rules made thereunder for the time being in force.
- The remuneration approved shall provide break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, other indirect benefit, etc.

Variable components:

- The participation of SMP in a performance linked variable pay scheme will be based on the individual and the Company's performance for the year, pursuant to which SMP are entitled to performance-based variable remuneration.

Reimbursement of expenses:

- SMP shall be reimbursed with the expenses incurred by them as per the applicable policies of the Company, from time to time.

11. Evaluation of performance of Directors, Board as a whole and Committees thereof

The Committee shall review the performance of all the Directors and submit its observations with the Chairman of the Board for necessary discussion and consequential action. The performance of Board and its various Committee will be evaluated by the Board itself. The performance shall be reviewed for every financial year either at the end of the year or beginning of next year.

The Independent Directors shall annually:

- review the performance of Non-Independent Directors and the Board as a whole; and

- review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

The Board of Directors (with the individual director being evaluated recusing himself/herself at the relevant time) shall also annually review the performance of individual Directors, Board as a whole and its Committees.

This evaluation will be based on the Performance Evaluation Criteria as decided by the Board of Directors. The Committee/Board can also engage any external consultant for the purpose of evaluation.

The Board/Committee may evaluate the Directors on following factors, including:

a) Attendance at Board meetings and Board Committee meetings;
b) Chairmanship of the Board and Board Committees;
c) Actively participates in Board and Committee meetings
d) Devotes sufficient time and preparation to board responsibilities
e) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
f) Guidance and support provided to SMP of the Company outside the Board meetings;
g) Maintains independence and exercises objective judgment
h) Provides constructive inputs and strategic guidance
i) Upholds high standards of ethics and corporate governance
j) Demonstrates relevant industry knowledge and expertise
k) Maintains professional relationships with Board and management
l) Keeps updated with regulatory and compliance requirements
m) Independence of behaviour and judgment; and
n) Impact and influence.

Further, pursuant to Regulation 17(10) of the SEBI (LODR) Regulations, 2015, the evaluation of the Independent Directors shall be done by the entire Board which shall among other factors, include -

a) Performance of the Directors;
b) Fulfilment of the independent criteria as specified in the SEBI (LODR) Regulations, 2015, and their independence from the management.

The Committee shall review the implementation and compliance of the evaluation system followed by the Board.

12. Removal

Any Director may be removed from the Board in accordance with the provisions of the Act. The Committee may also recommend, to the Board with reasons recorded in writing, removal of a Director, KMP and SMP subject to the provisions and compliance of the applicable Act, rules and regulations, if any. Any removal of an Executive Director shall be subject to the terms and conditions of his/her appointment.

13. Disclosure

This Policy shall also be placed on the website of the Company. Further, as per the provisions of the Act and the SEBI (LODR) Regulations, 2015, as amended from time to time, the necessary disclosures of this Policy shall be given in the Board's Report.

14. Deviation from the Policy

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

15. Review and amendment of the Policy

The Board shall review the Policy from time to time based on the changing needs and make suitable modifications as may be necessary. The Board can also amend the Policy as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.