



NOMINATION AND REMUNERATION POLICY

Policy Change log			
Version	Issued on	Effective from	Purpose of change
v1	September 18 ,2025	September 18, 2025- except for the clauses which shall become applicable upon listing of the Company on a recognised stock exchange in India	New Policy release

PARIJAT INDUSTRIES (INDIA) LIMITED

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1. Preamble

Parijat Industries (India) Limited (hereinafter referred to as the “Company” or “Parijat”) has established this Nomination and Remuneration Policy (the “**Policy**”) in accordance with the provisions of Section 178 of the Companies Act, 2013 (the “**Act**”), relevant rules made thereunder, and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), each as amended from time to time, when so applicable. Accordingly, the board of directors of Company (“**Board**”) adopted the Policy at its meeting held on September 18, 2025 which can be amended from time to time and the Policy shall come into force from the date of September 18, 2025.

2. Objective and Purpose

This Policy outlines the principles and guidelines for the Nomination and Remuneration Committee to:

- (a) Recommend to the Board the criteria governing the appointment, removal, remuneration, and evaluation of performance of Directors (including independent Directors), Key Managerial Personnel (KMP), Senior Management Personnel (SMP), and other employees, ensuring principles of fairness, transparency, and good corporate governance.
- (b) Assess the performance of Board members and submit necessary reports to the Board for further review and evaluation.
- (c) Advise the Board on matters concerning the remuneration payable to Directors, KMPs, SMPs, and other personnel, as applicable, based on factors including the Company’s size, financial position, trends and practices on remuneration prevailing in peer companies in the similar industry.
- (d) Determine the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and KMPs and persons in senior management positions of the quality required to run the company successfully;
- (e) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (f) remuneration provided 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;
- (g) Assess the independence of independent Directors;
- (h) Provide them rewards, linked directly to their efforts, performance, dedication and achievements relating to the Company’s operations; and
- (i) Such other key issues/ matters as may be referred by the Board or as may be necessary in view of the provision of the Companies Act, 2013, and rules thereunder and the SEBI Listing Regulations, whenever applicable.

3. Scope and Applicability

This Policy is applicable to all Directors, Key Managerial Personnel, and Senior Management Personnel, and other employees of the Company, subject to prevailing laws and regulations.



4. Definitions

- a. “Act” refers to the Companies Act, 2013 and the rules framed thereunder, as amended.
- b. “Board” means the Board of Directors of the Company.
- c. “Committee” or “Nomination and Remuneration Committee” denotes the committee constituted by the Board in compliance with Section 178 of the Act and Reg 19 of SEBI Listing Regulations.
- d. “Independent Director” refers to a director as defined under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
- e. “Key Managerial Personnel (KMP)” includes:
 - Chief Executive Officer, Managing Director, or Manager;
 - Company Secretary;
 - Whole-Time Director;
 - Chief Financial Officer;
 - Any other officer, not more than one level below the Directors who is in whole-time employment, designated by the Board as KMP;
 - Any other officer as prescribed by applicable regulations.
- f. “Senior Management Personnel” or “Senior Management” shall have the meaning assigned under Regulation 16(1)(d) of the SEBI Listing Regulations.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

5. Letter of appointment

Letter of appointment shall be issued by the Company to each Director, KMP and person in senior management based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act and this Policy and shall be accepted and signed by the concerned person.

6. Roles and Responsibilities of the Nomination and Remuneration Committee

The Committee shall be responsible for reviewing and deliberating upon the following:

- a. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b. 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 in accordance with the relevant provisions of the Companies Act including the Companies (Appointment and Qualification of Directors) Rules, 2014, and as envisaged under SEBI Listing Regulations. 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:

- a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
 - d) Subsequent to appointment, a declaration of independence shall be taken from each of the Independent Directors at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director.
- c. Formulate criteria for evaluating the performance of Independent Directors and the Board.
 - d. Develop a policy to promote diversity within the Board of Directors.
 - e. Identify suitable individuals qualified for directorships and senior management roles based on established criteria, recommend to the Board their appointment or removal, and evaluate the performance of each Director.
 - f. 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.
 - g. Recommend remuneration, in any form, payable to senior management personnel.
 - h. To develop a succession plan for appointment of Directors and Senior Management Personnel and review such plan periodically.
 - i. Address any additional matters as required under applicable laws or as directed by the Board.

7. Appointment and Removal of Directors, KMPs, and Senior Management

- a. The Committee shall evaluate the integrity, qualifications, expertise, and experience of individuals proposed for appointment as Directors, KMPs, or at others at senior management levels under the Act and SEBI Listing Regulations, and recommend their appointment along with terms and tenure.
- b. The Committee shall determine the suitability of appointment of a Director by assessing the proposed person against a range of criteria which includes but are not limited to:
 - Personality, skills and professional knowledge
 - Knowledge and experience relevant to the business of the Company
 - Understanding of and experience in performing his roles and responsibilities
 - Independence of judgment
 - Educational and professional qualification(s)
 - Past performance and credentials, behavior & conduct
 - Ability to work individually as well as a member of team
 - Ability to represent the Company



- Interaction and relationship with the other members of the Board, KMPs, senior management and key stakeholders
 - Board room conduct
 - Communication skills
 - Ethics and Values
- c. Prospective appointees should possess qualifications, expertise, and experience suitable for the role. The Committee reserves the discretion to determine the adequacy of these credentials, as well as the ethical and moral qualities possessed by such person for the concerned position.
- d. The appointment or continuation of Directors shall be governed by the age criteria stipulated under applicable regulations.
- e. In the case of Independent Directors, the Committee shall assess the Board's current composition, skills, and experience, and, based on such assessment, define the capabilities and role expectations for the position. For identifying candidates, the Committee may:
- Engage external agencies, if necessary;
 - Consider individuals from diverse professional backgrounds;
 - Assess the availability and time commitment of candidates.
- f. Due to reasons for any disqualification mentioned in the Act or under any other applicable provisions of the law, rules, regulations, etc., the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel and such removal shall be in accordance with the provisions and compliance of the Act, rules and regulations.
- g. The Company shall not appoint or continue the employment of any person as a whole time Director/Executive Director who is below the age of twenty-one years or has attained the age of seventy years. Provided that a person who has attained the age of seventy years may be appointed or his term may be extended by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

- h. The Company shall not appoint or continue the employment of any person as a non-executive Director who has attained the age of seventy-five years, unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- i. 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.
- j. The Committee shall recommend any necessary changes in the constitution of the Board, KMPs or senior management to the Board.
- k. . The appointment or a re-appointment of a person, including as a managing director or a whole-time director or executive director or a manager, who was earlier rejected by the shareholders



at a general meeting, shall be done only with the prior approval of the shareholders. Provided further that the statement referred to under sub-section (1) of section 102 of the Companies Act, 2013, annexed to the notice to the shareholders, for considering the appointment or re-appointment of such a person earlier rejected by the shareholders shall contain a detailed explanation and justification by the Committee and the Board for recommending such a person for appointment or re-appointment.

1. The Committee shall ensure that there are appropriate induction and training programs in place for newly appointed Directors and KMPs.

8. Independence of Directors

The qualifications of Independent Directors of the Company shall be decided on the basis of criteria provided under the relevant provisions of the Companies Act including the Companies (Appointment and Qualification of Directors) Rules, 2014 and as envisaged under SEBI Listing Regulations. A declaration of independence shall be taken from each of the Independent Directors at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director. For every appointment of an Independent Director, the 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: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates.

9. Board Diversity

The Board may consist of Directors with expertise across various fields such as production, management, finance, marketing, human resources, supply chain, quality assurance, and research & development, or as deemed appropriate. A formal policy on Board diversity shall be devised by the Company in accordance with applicable legal requirements.

10. Remuneration Policy

- i) To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- ii) To attract and retain and motivate competent individuals of the quality required to run the Company successfully;
- iii) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iv) To plan short and long-term incentives to retain talent;
- v) To ensure that any severance benefits are justified;



vi) To ensure that the remuneration of the Directors, KMPs and persons in senior management positions is based and determined on the basis of individual's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any, including that the remuneration to be paid to the Executive Director/ Managing Director/ & Chief Executive Officer ("MDED/MD/CEO & CEO or ED & CEO") and/or whole-time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act and the rules made there under, as applicable.

vii) To ensure that individual remuneration packages for Directors, KMPs and other persons in senior management positions are determined after taking into account relevant factors, including but not limited to:

- Qualification and experience
- Level of engagement in the affairs of the Company,
- Market conditions,
- Financial and commercial health of the Company,
- Practice being followed in comparable companies,
- Prevailing laws and government/other guidelines.

viii) The remuneration / compensation / commission etc. to be awarded to the whole-time Directors, KMPs and persons in senior management positions will be determined by the Committee and recommended to the Board for approval.

ix) Increments to the existing remuneration / compensation structure of other employees including the Functional Heads will be jointly decided by the CEO and Head-Human Resources.

11. Remuneration to Whole-time Director

- i) Fixed Salary – The Whole-Time Directors, Executive Directors, each as applicable shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the shareholders, wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.
- ii) Minimum Remuneration – If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its Directors in accordance with the provisions of Schedule V of the Companies Act, 2013

12. Remuneration to Non-Executive Directors/Independent Director

The remuneration payable to Non-Executive Directors shall be reviewed and approved by the Board based on recommendations from the Committee, within the overall limits authorized by shareholders.

Non-Executive Directors and Independent Director shall receive sitting fees for attending Board and Committee meetings and may also be entitled to commissions in addition to the sitting fees.



The Board shall recommend all fees or remuneration, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, for payment of sitting fees without approval of the Central Government.

Remuneration to Key Managerial Personnel, Senior Management, and Other Employees

- a. The Board, upon the Committee's recommendation, shall review and approve the remuneration payable to KMPs and Senior Management.
- b. Other employees shall be categorized into grades based on their qualifications, competencies, experience, and responsibilities. Individual compensation shall be determined within the designated grade, factoring in job profiles, skill sets, seniority, experience, and prevailing market remuneration levels for similar roles.
- c. The remuneration framework for KMPs shall include basic salary, perquisites, allowances, stock options, commissions (where applicable), retiral benefits, performance bonuses, and any other legally permitted components.

13. Directors' and Officers' Insurance

If the Company secures insurance for its Directors, KMPs, SMPs, or others to cover liabilities, the premium paid for such insurance shall not be considered part of remuneration unless expressly provided under applicable laws.

14. Policy Review and Amendment

The Committee and the Board shall review this Policy periodically and make revisions, if necessary. In the event of any inconsistency between this Policy and applicable laws, the latter shall take precedence. Further any subsequent amendment/modification in the SEBI Listing Regulations, the Companies Act and/or any other laws in this regard shall automatically apply to this Policy.

15. Disclosures

This Policy shall be published on the Company's website. All disclosures relating to nominations, remunerations, Board composition, and senior management, as applicable, shall be made in accordance with Act, SEBI Listing Regulations and other applicable provisions.

16. Effective Date

This Policy shall come into effect upon its approval by the Board and shall continue to remain in force until amended or rescinded.