

CHHATISGARH INVESTMENTS LIMITED

Regd. Off: Vanijya Bhawan, 1st Floor, Sai Nagar, Devendra Nagar Road,
Raipur (C.G.) 492001
Ph: 0771-2214212 Email: cil_rpr@rediffmail.com
CIN: L67120CT1982PLC001961

Remuneration Policy

I. Preamble

As per the requirements of Companies Act 2013 and the Listing Agreement, the Board of Directors of Chhatisgarh Investments Ltd. ("Company") has constituted a Nomination and Remuneration Committee. The Committee's role is to be supported by a policy for remuneration of Directors Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

The Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belongingness and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for stakeholders.

II. Objective

The objectives of the Policy shall be to:

1. retain, motivate and promote talent and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company.
2. guide and assist the Board in laying down and administer ESOP Compensation policy in terms of SEBI Guidelines, as and when decided.

III. Guiding Principles

The following principles shall act as guiding factors while designing compensation for Directors, Key managerial personnel, senior management and other employees:

1. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders
2. Minimize complexity and ensure transparency
3. Link to long term strategy as well as annual business performance of the company
4. Promotes a culture of meritocracy and is linked to key performance and business drivers
5. Reflective of line expertise, market competitiveness so as to attract the best talent.
6. Consideration for living condition, industry practices, pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

IV. Definitions:

"Act" means the Companies Act, 2013 and the Rules made thereunder including any amendment or modification thereof.

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“Board / Board of Directors” shall mean the Board of Directors of the Company

“Company” shall mean Chhatisgarh Investments Ltd. [CIL]

‘Directors’ shall mean the directors of the Company;

‘Independent Director’ shall mean a director referred to in Section 149 (6) of the Companies Act, 2013 and under the Listing Agreement with the Stock Exchanges

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

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- ii. Company Secretary;
- iii. Chief Financial Officer; and
- iv. Such other officer as may be prescribed

‘Nomination & Remuneration Committee / Committee’ means Nomination & Remuneration Committee constituted and re-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.

‘Other employees’ means all the employees other than the Directors, KMPs and the Senior Management Personnel.

‘Senior Management Personnel’ means personnel of the company who are members of its core management team excluding Board of Directors, and comprises of all members of management who are in the grade that is one level below the Directors and divisional heads.

V. Remuneration

1. General

- a. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the provisions of the Act and further subject to prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b. The remuneration and commission to be paid to the Whole-time Directors shall be in accordance with the approval of the shareholders of the Company and as per the provisions of the Act.
- c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be in terms of the approval of the Shareholders in the case of Whole-time Director.
- d. Where any insurance is taken by the Company for its Whole-time Director, Key Managerial Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- e. Leaves
The employees, including directors where applicable, shall be eligible for casual leaves, earned leaves and maternity leaves as per prevailing Rules of the Service.
- f. Retirement benefits
The Company shall extent Provident Fund and Gratuity benefits as per provisions of the applicable law. In addition, the Company may extent benefit of Provident Fund to employees drawing higher salary and also contribution to superannuation and other pension fund/schemes for selective employees with mutual consent. The gratuity, superannuation and pensionary contribution shall be invested in approved funds.
- g. Loans to employees
The Company may extend interest free/ concessional loans to the employees of the company for meeting fund requirement for higher education of children, land purchase, building purchase/ construction/ furnishing & repair, marriage of self and family members, medical treatment of self and family members and other exigencies. For the purpose Rules shall be framed with authority for exceptions at appropriate levels.

2. *Remuneration to Whole-time / Managing Director*

- a. **Fixed pay**
The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee subject to approval of the shareholders and Central Government, wherever required. The breakup of the pay and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, allowances, severance payments, etc. shall be decided and approved by the Board/the Person authorized by the Board on the recommendation of the Committee and
- b. **Variable pay**
The Committee may recommend suitable performance related variable payments linked to the performance of the Director concerned and of the Company.
- c. **Minimum Remuneration**
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- d. **Provisions for excess remuneration**
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

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e. **Stock Options**

The Committee shall determine the stock options and other share based payments to be made to Whole Time Directors, subject to prevailing guidelines of SEBI, if any.

3. ***Remuneration to Non- Executive / Independent Director***

a. **Remuneration / Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limits prescribed in the Act computed as per the applicable provisions of the Act.

b. **Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee.

Provided that the amount of such fees shall not exceed the amount as may be prescribed by the Central Government from time to time.

c. ***Stock Options***

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

d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as remuneration, if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

4. ***Remuneration to Key Managerial Personnel and Senior Management***

a. The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b. The Committee shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c. The Fixed pay shall include monthly remuneration, employer's contribution to superannuation fund, Provident Fund, contribution to pension fund, pension schemes, allowances, bonus, etc. as decided from time to time, for which Rules shall be framed.

d. The Incentive pay, if any, shall be decided based on the performance of the Company and the performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

5. ***Other Employees***

a. The remuneration of other employees shall be fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they shall also be provided perquisites and retirement benefits as per schemes of the

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Company and statutory requirements, wherever applicable. Policy of motivation/reward/severance payments are applicable to this category of personnel as in the case of those in the management cadre.

- b. The implementation of remuneration policy for other employees is to be ensured by the WTD of the Company or any other personnel that the WTD may deem fit to delegate.

VI Remuneration Duties

The duties of the Committee in relation to remuneration matters shall include:

- 1. considering and determining the remuneration based on such other factors as the Committee shall deem appropriate bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate talent.
- 2. Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 3. professional indemnity and liability insurance for Directors and senior management.

VII Implementation

- 1. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- 2. The Committee may Delegate any of its powers to one or more of its members.

VIII Policy Review

The Committee may assess the adequacy of this Policy and suggest any necessary or desirable amendments from time to time in the policy to the Board for approval to ensure it remains consistent with the Company's objectives, current laws and best practices.

IX Dissemination

This Remuneration Policy shall be disclosed in the Board's report