

# **PTL ENTERPRISES LTD.**

## **NOMINATION AND REMUNERATION POLICY** **(Updated as on 6th February 2025)**

### **1. Introduction**

In terms of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015 entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

### **2. Applicability: -**

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel
- Other employees

### **3. Objective**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the committee would be:

- I Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- II Formulation of criteria for evaluation of Independent Directors and the Board;
- III Devising a policy on Board diversity;
- IV 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 their appointment and removal.
- V To carry out evaluation of the performance of Directors.

- VI To ensure that 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.
- VII To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- VIII To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company 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.
- IX To assist the Board in ensuring that the plans are in place for orderly succession for appointments to the Board and to senior management.
- X To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- XI For every appointment of an Independent Director, the Nomination and Remuneration Committee to 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 to have the capabilities identified in the description. For the purpose of identifying suitable candidates, the Committee to (i) use the services of an external agencies, if required (ii) consider candidates from a wide range of backgrounds, having due regard to diversity and (iii) consider the time commitments of the candidates.

#### **4. Definitions**

- 4.1 ‘Act’ means Companies Act, 2013 and rules relating thereto.
- 4.2 ‘Board of Directors’ or ‘Board’, in relation to the Company, means the collective body of the directors of the Company.
- 4.3 ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
- 4.4 ‘Company’ means PTL Enterprises Ltd.
- 4.5 ‘Directors’ means a director appointed to the Board of a company.
- 4.6 ‘Independent Director’ means a director referred to in Section 149 (6) of the Companies Act, 2013 and/or as defined under SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015.
- 4.7 ‘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
  - e. Such other officer as may be prescribed under the applicable statutory provisions/regulations.
- 4.8 “Senior Management” means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below Chief Executive Officer/ Managing Director/ Whole-time Director (including Chief

Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

## **5. Constitution of Committee**

**5.1** 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 not less than one-third are independent Directors.

**5.2** At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. Tapan Mitra, Chairman
- ii. Mr. Onkar Kanwar, Member
- iii. Mrs. Sonali Sen, Member
- iv. Mr. Harish Bahadur, Member
- v. Mr. Sunil Tandon, Member
- vi. Mr. J. Ranga, Member

**5.3** The Chairman of the Committee shall be an Independent Director.

**5.4** The Chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

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

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

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

**5.8** Minutes: 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.

**5.9** Quorum: The quorum for the Committee meeting shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.

**5.10** 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 there under and as per the applicable law, if any, for the time being.

## **6. CRITERIA FOR APPOINTMENT & REMOVAL OF DIRECTOR AND SENIOR MANAGEMENT**

The Committee shall consider the following factors for identifying the person who are qualified to becoming Director and who can be appointed in senior management:

6.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.

6.2 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.

6.3 An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

6.4 The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. 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.

6.5 The Company should ensure that the person so appointed as Director/ Independent Director/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

6.6 The Director/ Independent Director/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under listing agreement or any other enactment for the time being in force.

6.7 Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

## **6A. Disqualifications for Appointment of Directors**

Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:

- a) He is of unsound mind and stands so declared by a competent court;
- b) He is an undischarged insolvent;
- c) He has applied to be adjudicated as an insolvent and his application is pending;
- d) He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence: Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- e) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- f) He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- g) He has been convicted of the offence dealing with related party transactions under section 188 at

any time during the last preceding five years; or

h) He has not complied with Section 152(3) i.e. he has not been allotted the Director Identification Number under Section 154 of the Act.

i) He has not complied with Section 165 (1) i.e. he shall not be a Director in more than 20 Companies out of which 10 Companies can be public Companies.

No person who is or has been a director of a company which:

- Has not filed financial statements or annual returns for any continuous period of three financial years; or
- Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be reappointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

Provided that where a person is appointed as a Director of a Company which is in default of above-mentioned clauses, he shall not incur the disqualification for a period of 6 months from the date of his appointment.

## **6B. Term / Tenure**

### **6B.1 Managing Director/Whole-time Director:**

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.

### **6B.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 re-appointment 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 of upto maximum of 5 years each, 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.

## **6C. 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 or any other reasonable ground, the Committee may recommend to the Board for removal of a Director or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **6D. Retirement**

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

## **7. CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTORS**

### **Criteria for determining positive attributes:**

The Committee shall consider the following factor for determining positive attributes of Directors (including independent directors):

7.2 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.

7.3 Actively update their knowledge and skills with the latest developments in the Tyre/Automobile/Health care industry, market conditions and applicable legal provisions.

7.4 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities

7.5 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

7.6 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

7.7 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

### **Criteria for determining Independence:**

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto and in SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015.

## **8. PERFORMANCE EVALUATION**

The provisions relating to the performance evaluation of the Directors and the Board are as follows:

1. Nomination and Remuneration Committee to carry out evaluation of every Directors' Performance - Sec 178(2) of the Act.
2. Independent Directors to bring objective view in evaluation of performance of Board- Schedule IV (II) of the Act.
3. Performance evaluation of Independent Directors shall be done by entire Board of Directors excluding the Director being evaluated - Schedule IV of the Act and SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015.

4. Disclosure in Board Report by way of a statement indicating the manner in which formal annual evaluation has been made by the Board of its own and that of its Committees and individual Directors - Section 134(3)(p) of the Act.

## **8A. CRITERIA FOR EVALUATION OF DIRECTORS AND THE BOARD**

The Committee shall carry out evaluation of performance of every Director and the Board, at least once in a year.

Following are the Criteria for evaluation of performance of Directors and the Board:

### **1. Executive Directors:**

The Executive Directors may be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time or may be evaluated on the basis of the questionnaire or any other method as the committee may deem fit.

### **2. Non-Executive Director (including Independent Director):**

The Non-Executive Directors (including Independent Director) shall be evaluated on the basis of the following criteria i.e. whether they:

- a. act objectively and constructively while exercising their duties;
- b. exercise their responsibilities in a bona fide manner in the interest of the company;
- c. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d. do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e. refrain from any action that would lead to loss of his independence (applicable for Independent Directors);
- f. inform the Board immediately when they lose their independence (applicable for Independent Directors);
- g. assist the company in implementing the best corporate governance practices;
- h. strive to attend all meetings of the Board of Directors and the Committees;  
  
participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- i. strive to attend the general meetings of the company;
- j. keep themselves well informed about the company and the external environment in which it operates;
- k. do not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- l. moderate and arbitrate in the interest of the company as a whole, in situations of conflict

between management and shareholder's interest.

- m. abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## **8B. Evaluation of Board Performance**

A regular process of evaluating the board's performance can help to identify strengths and weaknesses of its processes and procedures. The Company has formulated a questionnaire to assist in assessing the effectiveness of the board. The tool takes the form of a series of assertions/ questions which should be awarded a rating on a scale of 1 to 5 by individual directors or by the board as a whole. Once complete, the matters should be discussed at a board meeting.

## **9. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval. The remuneration to be paid to the other employees shall be as per HR policy of the company.

The level and composition of remuneration as determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully.

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

### **9.2 General:**

9.2.1 Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non- Executive Directors and Whole-time Director and other Executive Directors. This will be then approved by the Board and shareholders. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

9.2.2 Increments to the existing remuneration/ compensation of KMPs shall be reviewed by the committee time to time.

9.2.3 Directors' and officers' Insurance: Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **9.3 Remuneration to Whole-time / Executive / Managing Director**

#### **9.3.1 Fixed pay:**

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders

of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

#### 9.3.2 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 the Companies Act, 2013.

#### 9.3.3 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.

### **9.4 Remuneration to Non- Executive / Independent Director:**

#### 9.4.1 Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed INR One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors.

#### 9.4.2 Commission:

The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

#### 9.4.3 Stock Options:

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

### **9.5 Remuneration to KMP, Senior Management Personnel and Other Employees**

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies. The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year. This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

## 10. DISCLOSURES

The following disclosures are required under Companies Act, 2013 and the listing Agreement with the stock exchanges:

- 10.1 Nomination and Remuneration Policy shall be placed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's Report. (proviso to Section 178(4) of the Act)
- 10.2 Company shall disclose the Criteria for performance evaluation of Independent Directors, as laid down by Nomination Committee, in its Annual Report. (Regulation 34 read with Schedule V of Listing Regulations)
- 10.3 All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company shall be disclosed in the Annual Report. (Regulation 34 read with Schedule V of listing regulations)
- 10.4 In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of Directors shall be made in the section on the corporate governance of the Annual Report:
  - (a) All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
  - (b) Details of fixed component and performance linked incentives, along with the performance criteria.
  - (c) Service contracts, notice period, severance fees.
  - (d) Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable. (Regulation 34 read with Schedule V of listing regulations)
- 10.5 The Company shall publish its criteria of making payments to Non-Executive Directors in its annual report. Alternatively, this may be put up on the Company's website and reference drawn thereto in the annual report. (Regulation 34 read with Schedule V of listing regulations)
- 10.6 The Company shall disclose the number of shares and convertible instruments held by Non-Executive Directors in the annual report. (Regulation 34 read with Schedule V of listing regulations)
- 10.7 Non-Executive Directors shall disclose their shareholding held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as Directors, in the notice to the general meeting called for appointment of such Director. (Regulation 26 (4) of listing regulations)
- 10.8 Senior management shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large (for e.g. dealing in Company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.)( Regulation 26 (5) of listing regulations)
- 10.9 The Company shall disclose in the Board's report, the ratio of the remuneration of each Director to the median employee's remuneration and such other details as may be prescribed under Rule 5 of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014. (section 197(12) of the Act)

## 11. REVIEW AND AMENDMENT

11.1 The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there is any statutory changes necessitating the amendment in the policy.

11.2 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.

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