



CIN: L26914KA1983PLC005401

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**POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR EMPLOYEES OF MURUDESHWAR CERAMICS LIMITED**

**BACKGROUND**

Murudeshwar Ceramics Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on accountability, control and ethical practices with transparency.

**BRIEF OVERVIEW UNDER COMPANIES ACT 2013**

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.

The Nomination and Remuneration Committee shall, while formulating the policy 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;

--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.

Such policy shall be disclosed in the Board's report.



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## **BRIEF OVERVIEW OF THE REGULATION 19 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Nomination and Remuneration Committee:

1. The board of directors shall constitute the nomination and remuneration committee as follows:

- (a) the committee shall comprise of at least three directors ;
- (b) all directors of the committee shall be non-executive directors; and
- (c) at least fifty percent of the directors shall be independent directors.

2. The Chairperson of the nomination and remuneration committee shall be an independent director:

Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

3. The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

4. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

5. The nomination and remuneration committee shall meet at least once in a year.

The role of the nomination and remuneration committee shall be as specified as in Part D of the Schedule II as under:

- (1) 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;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying 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.



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- (5) 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) recommend to the board, all remuneration, in whatever form, payable to senior management.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

#### PRESENT POSITION OF DIRECTORS AND KMP OF THE COMPANY

At Present there are total ten directors on the Board of which Two is Executive, Three are Non-Executive and five are Independent.

The Following are the KMP's of the Company

Mr. Satish R Shetty – Managing Director,  
Mr. Karan Satish Shetty – Whole Time Director  
Mr. N M Hegde – CFO; and  
Mr. Ashok Kumar – Company Secretary

#### **POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL:**

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weight age to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.



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- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

- Following criteria are also to be considered:-

Responsibilities and duties;

Time & efforts devoted;

Value addition;

Profitability of the Company & growth of its business;

Analyzing each and every position and skills for fixing the remuneration yardstick;

Standards for certain functions where there is a scarcity of qualified resources.

Ensuring tax efficient remuneration structures.

Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.

Other criteria as may be applicable.

- Consistent application of remuneration parameters across the organization.
- Provisions applicable of law with regard to making payment of remuneration, as may be applicable, must be complied with.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

#### REVIEW

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.

***Reviewed and updated in the Board Meeting held on 29.05.2019***