

THE BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED

Remuneration Policy

1. Introduction :

- 1.1 The Remuneration policy of The Birla Cotton Spinning and Weaving Mills Limited (hereinafter referred to as ("***the Company***") is designed to attract 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 belonging and involvement.
- 1.2 The Remuneration Policy (hereinafter referred to as ("***the Policy***") applies to Directors. Senior Management, including the Key Managerial Personnel (KMP) and other employees of the Company.
- 1.3 The Policy has been recommended by the Nomination and Remuneration Committee (NRC) and approved by Board of Directors at their respective meetings held on 30th March, 2019 and is applicable with effect from 1st April, 2019, in supersession of all existing policies on matters covered under this policy.
- 1.4 The Policy is framed to comply with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("**Listing Regulations**")

2. Criteria for appointment of Directors, KMPs and Senior Management

- 2.1 Every person considered for employment by the Company as part of Senior Management & KMP shall fulfill the following criteria :
 - a) He/ she shall be person of Integrity
 - b) The person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. NRC shall have discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - c) The person should not have been convicted by a court of law of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment of 6 months or more during last 5 years or imprisonment for 7 years or more at any point of time.
- 2.2 Every person proposed to be appointed as Director or Managing Director or Whole-time Director shall fulfill the following criteria:
 - a) He/ she shall be person of Integrity
 - b) The person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. NRC shall have discretion to decide

whether qualification, expertise and experience possessed by a person is sufficient / satisfactory .

- c) The person should not have been disqualified to be a Director as per the provisions of the Companies Act, 2013 & rules Made thereunder and any other law(s) & regulation for the time being in force.
- d) In case of appointment as Independent Director, the person shall also fulfill the criteria of Independence prescribed under the Companies Act, 2013 & rule made thereunder and, the Listing Regulations.

3. Remuneration structure

3.1 *Remuneration of Non-executive Director*

- 3.1.1 The Company may pay remuneration by way of sitting fee for attending meeting(s) of Board of Directors and any committees thereof, as fixed by Board from time to time.

3.2 *Remuneration of Managing Director and Whole-time Director*

- 3.2.1 The term of Office and remuneration of Managing Director and Whole-time Director are subject to approval/ in accordance with the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013, as applicable from time to time.
- 3.2.2 While considering the appointment and remuneration of Managing Director and whole-time Director, the NRC will consider the conditions of employment and compensation in industry, merit and seniority of the person, cost of living and paying capacity of Company.
- 3.2.3 Further, NRC while designing the remuneration package will consider the remuneration package to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to discharge the functions.
- 3.2.4 The Managing Director and Whole-time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travels etc.

3.3 *Remuneration of KMP & Senior Management*

- 3.3.1 Appointment, remuneration and removal of KMP & Senior Management is subject to approval of NRC and Board of Directors, remuneration of KMP and senior Management* will be broadly in line with the respective policies for appointment of Directors, Managing Directors or Whole-time Director. Total Remuneration may Comprise of :
 - a) A fixed Base salary & special allowance
 - b) Perquisites

c) Retirement Benefits

“senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board and shall specifically include company secretary and chief financial officer.

3.4 Remuneration to other employees

3.4.1 The remuneration of other employees is fixed from time to time, as per the principles outlined above and considering industry standards and cost of living.

4. Disclosure of remuneration

4.1 Information on remuneration of KMP/ Senior Management may be disclosed as per applicable statutory compliances.