BHAVYA CEMENT

Solid Gold

## BHAVYA CEMENTS PRIVATE LIMITED

# Nomination and Remuneration Policy

(Under Section 178 of the Companies Act, 2013)

Approved by the Board of Directors at its meeting held on March 30, 2026


Sustainable Development | Community Empowerment | Environmental Stewardship | Responsible Business

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# Revision History

| Version No. | Approval Date | Approved By | Effective Date | Remarks |
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# 1. PREAMBLE

- Pursuant to Section 178 of the Companies Act, 2013 read with rule made thereunder, every Public Company falling under such class or classes of Companies as may be prescribe in the rules, 2014, shall require constituting the Nomination and Remuneration Committee.
- The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibility related to human resource management and compensation.
- Accordingly, this Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto to discharge the obligation specified therein.
- This policy may be called Bhavya Cements Private Limited Nomination and Remuneration Policy and shall be effective from the date of meeting in which the policy is taken by the Board.

## 2. OBJECTIVE / PURPOSE

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

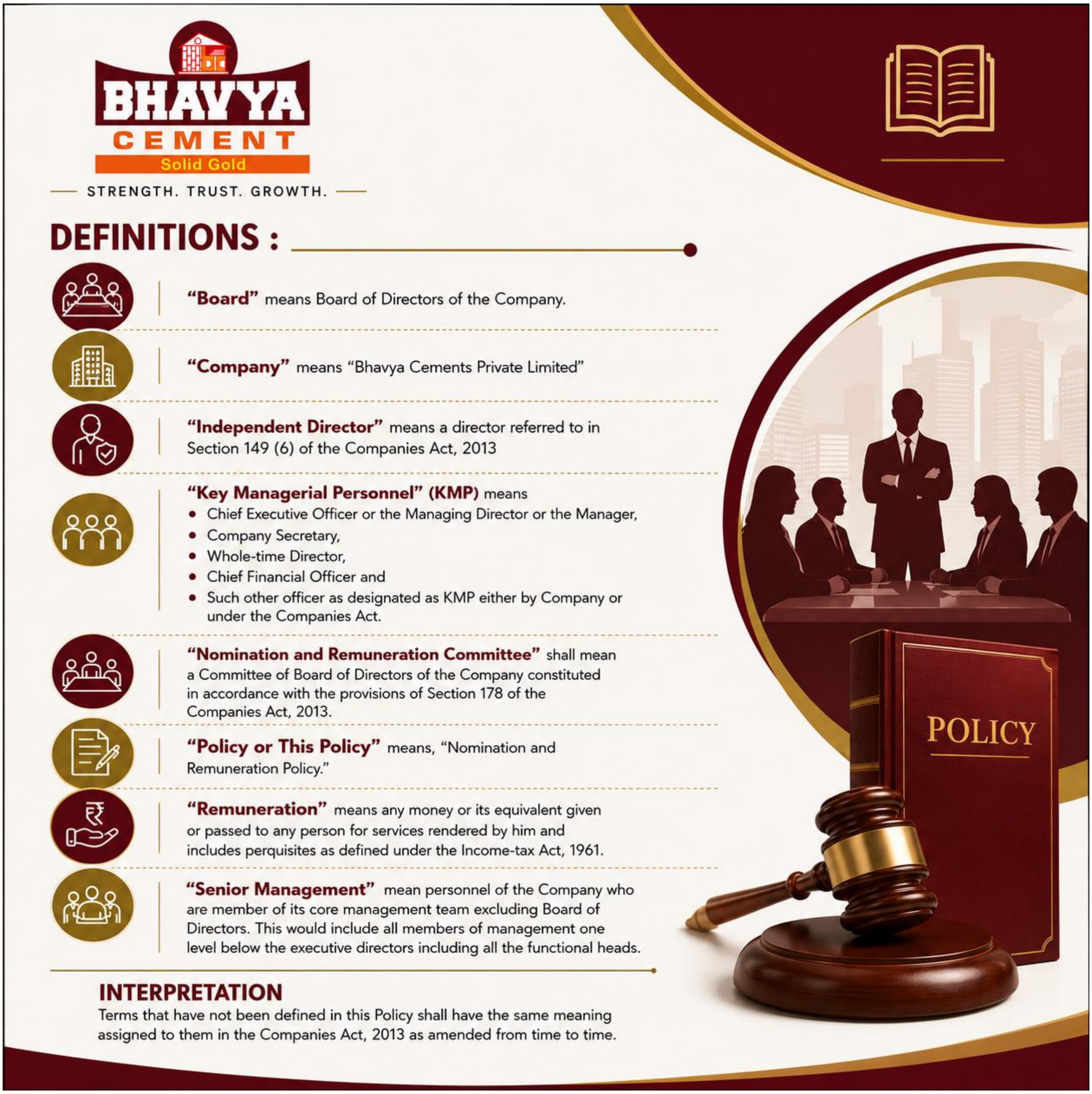
c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

# 3. DEFINITIONS

- "**Board**" means Board of Directors of the Company.
- "**Company**" means "Bhavya Cements Private Limited"
- "**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013
- "**Key Managerial Personnel**" **(KMP) means**
  - (i) Chief Executive Officer or the Managing Director or the Manager,
  - (ii) Company Secretary,
  - (iii) Whole-time Director,
  - (iv) Chief Financial Officer and
  - (v) Such other officer as designated as KMP either by Company or under the Companies Act.
- "**Nomination and Remuneration Committee**" shall mean a Committee of Board of Directors of the Company constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- "**Policy or This Policy**" means, "Nomination and Remuneration Policy."
- "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "**Senior Management**" mean personnel of the Company who are member of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors including all the functional heads.

## 4. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 as amended from time to time.



# 5. APPLICABILITY

This policy is applicable to:

1. Directors viz. Executive, Non-executive, Independent
2. Key Managerial Personnel
3. Senior Management

# 6. GUIDING PRINCIPLES

The Policy ensures 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 benchmark.
- 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.

## 7. ROLE OF THE COMMITTEE

The role of the Committee inter alia shall be as follows:

a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.

b) To review and approve the remuneration policy, compensation plan & structure of the Company as per the applicability.

c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) To carry out evaluation of every Director's performance and to specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance

e) To recommend to the Board the appointment and removal of Directors and Senior Management.

f) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

g) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

h) To perform such other functions as may be necessary or appropriate for the performance of its duties.


BHAVYA
CEMENT
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STRENGTH. TRUST. GROWTH.
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To carry out evaluation of every Director's performance and to specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
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To recommend to the Board the appointment and removal of Directors and Senior Management.
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Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
07
To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
08
To perform such other functions as may be necessary or appropriate for the performance of its duties.
RIGHT PEOPLE. | RIGHT REWARDS. | STRONGER FUTURE.

# 8. MEMBERSHIP

a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half of them shall be Independent.

b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

c) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

# 9. CHAIRMAN

- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- The Chairman of the Nomination and Remuneration Committee should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries in case he is unable to attend the Annual General Meeting.

## 10. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required

## 11. COMMITTEE MEMBERS' INTERESTS

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 12. VOTING

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 13. SECRETARY

The Company Secretary of the Company shall act as the Secretary to the Committee.

# 14. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

## ➢ Appointment criteria and qualifications:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend

to the Board his / her appointment.

- The vacancy at Senior Management i.e. all members of management one level below the executive directors, including all functional heads (CEO/CFO/CS/General Manager) shall be filled up by the Managing Director in line with the internal policy adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.
- The Committee shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.

a) 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.

c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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.

## ➢ Term / Tenure:

**a) Managing Director/Whole-time Director/Manager (Managerial Person):**

The Company shall appoint or re-appoint any person as its Managerial Person 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.

**a) 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, 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. Independent Directors are duty bound to evaluate the performance of non-independent directors and Board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to review the performance of Non-Independent Directors, performance of the Chairperson of the Company and Board as a whole, taking into account the views of executive directors and non- executive directors. This process is being diligently followed by the Company.

## ➢ Evaluation:

The Committee shall formulate and recommend to the Board a framework and methodology for the effective evaluation of the performance of the Board, its Committees, and individual Directors. The evaluation may be conducted by the Board, the Nomination and Remuneration Committee, or through an independent external agency, as may be deemed appropriate. The Committee shall review and monitor the implementation of, and compliance with, the approved performance evaluation framework at such intervals as it may determine.

Based on the criteria, rating sheets will be filled by each of the Directors towards the end of the year with regard to evaluation of performance of the Board, its Committees and Directors (except for the Director being evaluated) for the year under review. A consolidated summary of the ratings given by each of the Directors will be prepared, based on which a report of performance evaluation will be prepared by the Chairperson with the help of Company Secretary, in respect of the performance of the Board, its Committees and Directors during the year under review. Evaluation of Independent Director shall be carried out by the entire Board of Directors of the Company except the Director getting evaluated.

The report of performance evaluation so arrived at will be noted and discussed by the Nomination and Remuneration Committee and forward to Chairperson of the Company. Reporting to the Chairperson by NRC shall be a consolidated reporting and after the due-deliberation at NRC level and will incorporate comments/ feedback /observations if any from NRC pertaining to the process and also the sanctity of the evaluation exercise. The Chairperson of the Company shall be present in the said NRC meeting as a special invitee in case she/he is not the member of NRC.

As per the report of performance evaluation, the Board shall determine on continuing the term of appointment of the Independent Director.

The Committee shall carry out evaluation of performance of every Directors, KMP and Senior Management at regular interval (yearly).

- **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, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

  The Directors and KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director and KMP in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 15. DISCLOSURE IN BOARD'S REPORT

In accordance with the requirement under the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various committees of directors and individual Directors' performance will be made by the Board of Directors in the Board's Report. Further, the Board's Report containing such statement will be made available for the review of shareholders at the Annual General meeting of the Company. The following paragraph will be reflected in the Board's Report annually.

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, also of the Board as a whole and its Committees individually has been carried by your company as per the evaluation criteria approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013. Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose

# 16. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON AND KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, 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 prior/post approval of the shareholders and Central Government, wherever required under the provisions of the Companies Act, 2013 & Rules made thereunder or any other applicable law.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP 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.

**Remuneration to Managerial Person and KMP**:

**Fixed pay:**
Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. 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 decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**Minimum Remuneration:**
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

**Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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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## Remuneration to Non-Executive / Independent Director:

### Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

### 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 the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### Stock Options:

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

## 17. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

## 18. AMENDMENTS TO THE POLICY

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. 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.