
NOMINATION AND REMUNERATION POLICY

CAPCHEM ELECTRICALS LIMITED

Date: 30.08.2026

Constitution of Nomination and Remuneration Committee

(As per Companies Act, 2013)

(Resolution dated 30th August, 2025)

Sr. No.	Committee Members	Contact
1	Ms. Sugandha Ramchandra Rane - Non-Executive Independent Director – Chairman of the Committee	committee@cepl.net.in
2	Mr. Jas Kirit Ganatra– Non-Executive Independent Director – Member	
3	Mr. Shrikishan Shrirangam -Executive Director- Member	

1. INTRODUCTION

- 1.1. Section 178 of the Companies Act, 2013 (“**Act**”) (as amended from time to time), requires the Nomination and Remuneration Committee (“**NRC**”) to recommend to the Board a policy in respect of selection, appointment, performance evaluation and removal of Directors (Executive and Non-Executive), including whole time directors, Key Management Personnel (“**KMP**”) and Senior Management Personnel (“**SMP**”), and a policy of remuneration to them.
- 1.2. The Nomination and Remuneration Policy (“**Policy**”) of Capchem Electricals Limited (“**Company**”) is formulated under the requirements of the Companies Act, 2013 (“**Act**”) as amended from time to time.
- 1.3. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

2. PURPOSE

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. 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 purpose of the Policy is to:

- a) Formulation of the criteria for determining qualifications, positive attributes of Directors, KMPs and SMPs and also independence of Independent Directors and recommend to the Board of Directors a policy relating to the remuneration of the Directors, KMP and other employees.
- b) Ensure that appointments and remuneration practices related to the Directors, KMPs and SMPs are in compliance with statutory requirements, especially including those related to Independent Directors;
- c) Performance evaluation of Board, its Committees and Directors including Independent Directors;
- d) Remuneration to directors, KMPs and SMPs 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.

3. SCOPE OF THE POLICY

This Policy applies to the Board of Directors, KMPs and SMPs of the Company.

4. DEFINITIONS

- i. “**Board**” means Board of Directors of the Company.
- ii. “**Director**” means a person as defined in Section 2(34) of the Companies Act, 2013 and presently appointed as a Director in the Company.

- iii. **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.
- iv. **“Company”** means Capchem Electricals Limited.
- v. **“Independent Director”** means a director referred to in Section 149(6) of the Companies Act, 2013.
- vi. **“Key Managerial Personnel” or “KMP”** means-
 - Chief Executive Officer or Managing Director or Manager
 - Whole-Time Director
 - Chief Financial Officer
 - Company Secretary
 - Such other officer, not more than one level below the directors who is in Whole Time Employment, designated as KMP by the Board
- vii. **“Senior Managerial Personnel” or “SMP”** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (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 persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.
- viii. **“Policy”** shall mean this Nomination and Remuneration Policy.
- ix. **“Remuneration”** as per Act shall mean 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.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act, as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- 5.1. 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, KMP and other employees;
- 5.2. The Nomination and Remuneration Committee should, for every appointment of an independent director, 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. For the purpose of identifying suitable candidates as an independent director, the Committee may:

- a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates
- 5.3. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- 5.4. Devising a policy on Board diversity;
- 5.5. 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 their appointment and removal and shall carry out evaluation of every directors performance (including Independent Director);
- 5.6. Analysing, monitoring and reviewing various human resource and compensation matters;
- 5.7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- 5.8. 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;
- 5.9. Recommend to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- 5.10. The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that:
- a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) 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.
- 6. APPOINTMENT DIRECTOR INCLUDING INDEPENDENT DIRECTOR, KMP AND SMP**
- 6.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at SMP level and recommend to the Board his / her appointment.
- 6.2. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

- 6.3. As per the applicable provisions of the Act and Rules made there under, 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.

7. EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and SMP yearly or at such intervals as may be considered necessary as per the provisions of the Act.

8. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the Act, rules and regulations and the policy of the Company.

9. RETIREMENT

The Directors, KMP and SMP and other Employees shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion in retaining the Director, KMP, SMP and any other Employee in the same position/ remuneration or otherwise even after attaining the retirement age, in the interest of the Company.

10. REMUNERATION TO DIRECTORS, KMPs, SMPs, OTHER EMPLOYEES.

A. Remuneration to Managing Director / Whole-time Directors:

- i. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- ii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

B. Remuneration to Non- Executive / Independent Directors:

- i. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- ii. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under the Act and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- iii. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

C. Remuneration to KMP and SMP:

- i. The remuneration to KMP and SMP shall consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's Policy.
- ii. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- iii. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the KMP and SMP, to be decided annually or at such intervals as may be considered appropriate.
- iv. A member of the NRC is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated. The NRC may invite such executives, as it considers appropriate, to be present at the meetings of the NRC

11. REVIEW AND AMENDMENT

- 11.1. The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this Policy is subject to modification. The Board on recommendation of the NRC may review the Policy as and when it deems necessary. The right to interpret/ amend/ modify this Policy vests in the Board of Directors of the Company.
- 11.2. In case any provision of this Policy is contrary to or inconsistent with the provisions of the Act, or any other applicable law for time being in force, the latter shall prevail.

12. DISCLOSURE

The Nomination and Remuneration Policy shall be placed on the website of the Company and the salient features and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board Report. The Company shall disclose the criteria for performance of Independent Directors, as laid down by Nomination and Remuneration Committee, in its Annual Report.

13. DEVIATIONS FROM THIS POLICY

Deviations on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case. However, this shall be subject to the approval of Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.