

Report on Corporate Governance

NOMINATION AND REMUNERATION COMMITTEE

The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board, interalia, are as under:

- 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.
- Recommending appointment/re-appointment/removal of any Director or senior management personnel of the Company including their remuneration.
- Approve criteria for effective evaluation of the performance of the entire Board, its committees and individual directors.
- Review human resource related matters including talent management and succession planning.
- Administer and monitor Employee Stock Option Scheme(s) of the Company, if any.

Detailed terms of reference of the Nomination and Remuneration Committee are available on the Company's website at <https://www.punjabchemicals.com/wp-content/uploads/2022/04/NRC-Terms-of-Reference.pdf>

Composition and Attendance at the meetings

The Board has constituted a Nomination and Remuneration Committee with four Non-Executive Independent Directors. The Company has complied with the requirement of Regulation 19 of SEBI (LODR) Regulations, 2015 and Section 178 (1) of the Act with respect to the composition of the Nomination and Remuneration Committee.

During the year, all the recommendations made by the Nomination and Remuneration Committee were accepted by the Board. Mr. Vijay D Rai, Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 12, 2021 by way of Video Conferencing/Other Audio Visual Means ["VC/OAVM"]. The Committee met two (2) times during the financial year ended March 31, 2022 on May 27, 2021 and January 27, 2022.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2021-2022.

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Vijay D Rai	Non-Executive / Independent	Chairman	2	2
2.	Mr. Mukesh D Patel	Non-Executive / Independent	Member	2	2
3.	Ms. Aruna R Bhinge	Non-Executive /Independent	Member	2	2
4.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	2	2

The Company Secretary of the Company acts as the Secretary of the Committee. The minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board. The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at <http://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf>.

Performance Evaluation and Criteria for Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and SEBI (LODR) Regulations, 2015. The performance of the board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, among others.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, among others.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, among others.



Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

REMUNERATION OF DIRECTORS

The Board on the recommendation of the Nomination and Remuneration Committee, has framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The policy lays down criteria for selection of Directors and senior management based on expertise, experience and integrity of the person. It also weighs the independent nature, personal and professional standing for the diversity in the Board composition.

Remuneration to the Managing Director

The Board / Nomination and Remuneration Committee is authorised to decide the remuneration of the Managing Director, subject to the approval of the members and any other approval, if required. The remuneration structure comprises of salary, commission, perquisites and allowances as per applicable law / rules.

Annual increments are decided by the Board on the recommendation of the Nomination and Remuneration Committee on the basis of their contribution to the

growth and financial position of the Company. The industrial trend and inflation is also considered.

During the year under review, the remuneration to the Managing Director was paid in accordance with the provisions of the Companies Act, 2013 and as approved by the Shareholders.

Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees of ₹15000/- for each meeting of the Board or its committees attended by them. They are also eligible for commission in case of sufficient and adequate Net Profit available. The commission payable to each Non-Executive Director is determined by the Board, based on the norms and role and contributions of each Director. The commission is distributed in such a manner as determined and decided by the Chairman of the Company and approved by the Board of Directors of the Company. The Company can pay remuneration by way of commission not exceeding 1% of the net profit to all the Non-Executive Directors. The commission for the financial year ended March 31, 2022 will be paid to Non-Executive / Independent Directors, subject to deduction of tax, after adoption of financial statements by the Members in the ensuing Annual General Meeting.

Details of Remuneration paid to Directors

The Directors' remuneration, sitting fees and commission paid/payable in respect of the Financial Year 2021-2022 are given below.

(Amount in ₹)

Name of Director	Sitting fees for Board / Other Committees Meetings	Salaries and other perquisites benefits	Other Commission	Total
Mr. Mukesh D Patel	3,00,000	-	15,00,000	18,00,000
Mr. Shalil S Shroff, Managing Director	-	2,02,35,500	1,18,00,000	3,20,35,500
Capt. Surjit Singh Chopra (Retd.)	90,000	-	4,00,000	4,90,000
Mr. Vijay D Rai	2,55,000	-	15,00,000	17,55,000
Ms. Aruna R Bhinge	2,10,000	-	5,00,000	7,10,000
Mr. Sheo Prasad Singh	1,95,000	-	4,00,000	5,95,000
Mr. Shivshankar S Tiwari	1,05,000	-	35,00,000	36,05,000
Mr. Avtar Singh	1,05,000	1,64,35,759	29,50,000	1,94,90,759
TOTAL*	12,60,000	3,66,71,259	2,25,50,000	6,04,46,000

*On 01/10/2021, there was a change in designation of Mr. Avtar Singh from Executive Director to Non Executive Non Independent Director of the Company. Accordingly remuneration is upto 30th September,2021 and thereafter sitting fees is paid for attending Board/Committee meetings.