



RAGHUVIR SYNTHETICS LIMITED

REGD. OFF. : RAKHIAL ROAD, RAKHIAL, AHMEDABAD-380 023, INDIA

PHONE : 079-22911015 - 22911902 - 22910963

Email : raghuvirad7@sanchamel.in

Website : <http://www.raghuvir.com>

CIN : L17119GJ1982PLC005424

Criteria of making payments to Non-Executive Directors

Preamble:

With changes in the corporate governance norms brought by the Companies Act, 2013 ("the Act") as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the role of Non-Executive Directors ("NEDs") and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully.

The Listing Regulations require every company to publish its criteria of making payments to NEDs in its annual report or put up on the company's website. Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of the Listing Regulations require the prior approval of the shareholders of a Company for making payment to its NEDs. Though at present, the Company is not making any payment to its NEDs, whenever any payment to its NEDs will be made, the Company will look after the criteria provided hereinbelow or as may be provided in the statutory requirement of that time.

In view of the above, any fee/remuneration payable to the NEDs, the Company shall abide by the following:

Sitting Fee:

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by the Act or the Listing Regulations or other applicable law or for any other purpose whatsoever may be decided by the Board.

Commission:

Under the Act, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has either managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager,



RAGHUVIR SYNTHETICS LIMITED

REGD. OFF. : RAKHIAL ROAD, RAKHIAL, AHMEDABAD-380 023, INDIA

PHONE : 079-22911015 - 22911902 - 22910963

Email : raghuvirad7@sancharnet.in

Website : <http://www.raghuvir.com>

CIN : L17119GJ1982PLC005424

then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company.

Refund of Excess Remuneration Paid:

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it.

Reimbursement of Actual Expenses Incurred:

NEDs may also be paid/reimbursed such sums either as fixed allowance and/or actual as fair compensation for travel, boarding and lodging and incidental and/or actual out of pocket expenses incurred by such member for attending Board/ Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

Payment to Independent Directors:

An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

Amendment:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. The Audit Committee shall also review the Policy and suggest amendments to make it responsive and relevant to the changing times. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

FOR, RAGHUVIR SYNTHETICS LIMITED


DIRECTOR / AUTHORISED SIGNATORY