



INDOCO REMEDIES LIMITED

**NOMINATION AND REMUNERATION
POLICY**



I. INTRODUCTION

The Nomination & Remuneration Policy ("Policy") of Indoco Remedies Limited ("Indoco" or "Company") is formulated under the requirements of applicable laws, including the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

II. OBJECTIVE AND PURPOSE

The objectives and purpose of this Policy are:

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company ("Director");
2. 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;
3. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
4. 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.

III. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the "Nomination and Remuneration Committee" of the Board in line with the requirements under the Companies Act, 2013 ("Act") and Listing Regulations. This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

The Board has authority to reconstitute this Committee from time to time



IV. DEFINITIONS

- a. 'Board' means Board of Directors of the Company.
- b. 'Directors' means directors of the Company.
- c. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. 'Company' means Indoco Remedies Limited

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

V. GENERAL

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and removal of Directors, KMP and Senior Management; and

Part – C covers remuneration for Directors, KMP and Senior Management

Part A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration committee:

The following matters shall be dealt with by the Committee:

- a. Size and composition of the Board:
Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;



b. Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

c. Succession plans:

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

d. Evaluation of performance:

- i. Make recommendations to the Board on appropriate performance criteria for the Directors.
- ii. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third party facilitator in doing so.
- iii. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

e. Board diversity:

The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives. The policy on Board diversity is available, at

In addition to above NRC will perform all its roles and responsibilities as mentioned in the Act and Listing Regulations.



Part B

Policy for appointment and removal of Directors, KMP and Senior Management

a. Appointment criteria and qualifications

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. For every appointment of an independent director, the NRC shall 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. The person recommended for such role shall meet the description.
5. For the purpose of identifying suitable candidates, the Committee may
 - i. use the services of an external agencies, if required
 - ii. consider candidates from a wide range of backgrounds, having due regard to the Board diversity Policy of the Company
 - iii. shall consider the time commitments of the candidates



b. Removal

Subject to the provisions of the Companies Act, 2013 read with rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Committee may recommend (along with the reasons / justification) to the Board, removal of any Director, KMP or Senior management personnel, in case such Director / KMP / Senior management personnel (as the case may be) suffers from any disqualification mentioned in the Act, rules made there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or under any other applicable law or on any other reasonable ground(s), as the Committee may deem appropriate.

c. Retirement

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

Part C

Policy relating to the remuneration for Directors, KMP and Senior Management

a. General

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval and shall be in accordance with the provisions of the Companies Act 2013, and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other law/regulations as applicable.
2. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Joint Managing Director/Whole-time Director.



3. Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. 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 unless otherwise specifically provided under the Act.

b. Remuneration to KMP and Senior Management

1. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
 - Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
 - Driven by the role played by the individual,
 - Reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay,
 - Consistent with recognized best practices and
 - Aligned to any regulatory requirements
2. In terms of remuneration mix or composition,
 - The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - Basic/ fixed salary is provided to all KMP/Senior Management to ensure that there is a steady income in line with their skills and experience.
 - In addition to the basic/ fixed salary, the Company provides KMP/Senior Management with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides KMP/Senior Management with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.



- The Company provides retirement benefits as applicable.

3. Minimum remuneration to Executive Directors

In the event of any inadequacy or absence of profits in any financial year or years during the currency of the tenure of the Executive Director, the remuneration approved by the members for the Executive Director will be continued to be paid as minimum remuneration during the remaining tenure of the Executive Director without seeking any further approval from shareholders provided that the shareholders' approval received, provides for payment of remuneration to the Executive Director as minimum remuneration in case of inadequacy or absence of profits in any financial year or years and statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 is provided in the explanatory statement of the shareholders resolution and the Company complies with any other applicable provisions of Schedule V of the Companies Act, 2013.

c. Remuneration to Non-Executive / Independent Directors (Criteria of making payments to non-executive directors)

1. The Non- Executive Directors including independent directors 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 Rs. 1,00,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Companies Act, 2013 or Listing Regulations from time to time.
2. 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 or for Company's work.
3. The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders.



d. Remuneration to other employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Managing Director and Joint Managing Director, in consultation with the Head- HR.

VI. POLICY REVIEW

- a. This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- b. In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.