



## **RAGHUVIR SYNTHETICS LIMITED**

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### **AMENDED & ADOPTED POLICY**

# **POLICY ON TERMS & CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTOR**

PURSUANT TO THE CIRCULAR FROM SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) RELEASED ON 9 MAY 2018, THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2018 (SEBI (LODR) (AMENDMENT) REGULATIONS, 2018, THE BOARD OF DIRECTORS IN THE BOARD MEETING HELD ON 27<sup>TH</sup> MAY 2019 HAVE AMENDMEND THIS POLICY EFFECTIVE FROM 1<sup>ST</sup> APRIL, 2019.

THIS ADOPTED POLICY IS PLACED ON WEBSITE OF THE COMPANY  
[WWW.RAGHUVIR.COM](http://WWW.RAGHUVIR.COM)

**BY THE ORDER OF THE BOARD OF DIRECTORS  
FOR RAGHUVIR SYNTHETICS LIMITED**

**FOR, RAGHUVIR SYNTHETICS LIMITED**

  
DIRECTOR/AUTHORISED SIGNATORY

**SUNIL R. AGRAWAL  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 00265303**

### Meaning of Independent Directors:

**"Independent Director"** means a non-executive Director, other than a nominee Director of the listed entity:

(i) who, in the opinion of the board of Directors, is a person of integrity and possesses relevant expertise and experience;

(ii) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;

(iii) who is not related to promoters or Directors in the listed entity, its holding, subsidiary or associate company;

(iv) who, apart from receiving Director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

(v) none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- is indebted to the company, its holding, subsidiary or associate company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
- has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or Directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
- has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two percent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or

(vi) who, neither himself, nor whose relative(s) —

(A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or

2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(C) holds together with his relatives two per cent or more of the total voting power of the listed entity; or

(D) person who neither himself nor whose relative is a CEO/ MD/ WTD / Manager (including CEO/manager, in case they are not part of the board), CS & CFO, of any non- profit organisation which receives 25% or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2 % or more of the total voting power of the listed entity

(E) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

(vii) who is not less than 21 years of age.

(viii) who is not a non-independent Director of another company on the board of which any non-independent Director of the listed entity is an independent Director ( Board interlock is not allowed)

(ix) If a Director is having any pecuniary relationship to the extent of ten per cent. of his total income with the company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year, it would not affect his independence.

### **Terms and Conditions of appointment of Independent Directors**

The terms and Conditions of the appointment, which shall, in any event be subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Articles of Association of the Company, are set out below.

### **Terms of Appointment:**

The appointment will be for the period mentioned against their respective names ("Term"). The Company may remove Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act 2013 and Articles of Association of the Company.

In compliance with provision Section 149(13) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.

Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The re-appointment would be considered by the Board based on the outcome of the performance evaluation



process and the directors continuing to meet the independence criteria.

The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or Listing Regulations or on the occurrence of any event as defined in section 167 of the Companies Act, 2013. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

#### **Resignation:**

Independent Directors may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board. The detailed reason for such resignation is required to be disclosed by the company to the stock exchange, within seven days of the resignation, including a confirmation from the ID that there is no other material reasons other than those provided.

In terms of provisions of the Companies Act, 2013, company is required to file a copy of their resignation letter with the Registrar of Companies in DIR 12.

#### **Committee:**

During the Appointment, the Independent Director may be required to serve on one or more of the committees of the Board including Audit Committee, Nomination and Remuneration Committee and Stakeholders/Shareholders Relationship Committee, as the Board may decide.

He is appointed as an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he believes that his independence will be in doubt, he should discuss the same with the Chairman of the Company as soon as practicable.

#### **Duties and Liabilities:**

The Independent Director will perform his fiduciary duties in a responsible manner and his general legal responsibilities to the Company will be at par with a non-executive director.

The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his duties, comply with the requirements of Section 166 and Schedule IV of the Companies Act, 2013 ("the Act").

The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his knowledge, attributable through Board processes, and with his consent or where he has not acted diligently.

### **Code for Independent Directors:**

The Company has relied on the declaration of the Independent Director that he meets the criteria of independence as provided in Section 149(6) of the Act as also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.

The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board of Directors of the Company.

### **Restrictions:**

During the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or undertaking which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his duties with the Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he should consult the Chairman of the Company as soon as practicable.

### **During the term of Appointment, an Independent Director shall not serve as :**

- (a) an independent director in more than the prescribed number of listed companies and
- (b) a committee member of more than the prescribed number of committees (i.e. the Audit Committee and the Stakeholders' Relationship Committee) including chairmanship of such committees.
- (c) Independent Director shall not indulge in forward dealings in securities of the Company which is prohibited under the Act. Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They should not enter into insider trading and are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.

### **During the term of Appointment :**

- (a) he will neither enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the shares of the Company; and
- (b) he will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company by way of an ordinary resolution.

**Time Commitment:**

By accepting the Appointment the Independent Director confirms that he will be able to allocate sufficient time to perform his duties as a director and attend meetings of the Board or any committee thereof.

**Training and Development:**

The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors including site visits.

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to Directors.

**Remuneration to Independent Director:****a) Remuneration/ Commission:**

The remuneration/ commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company, the Act and the Listing Regulations.

In case the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, it shall be subject to the approval of shareholders by special resolution.

**b) 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 Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act and as per the criteria approved by the Board from time to time. The Board of Directors will fix the Commission payable to Directors on the basis of number of Board/Committee meetings attended during the year, Chairmanships of Committees and based on contribution and participation of Directors of the Company and their involvement in Company's strategic matters.



**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company.

**e) Expenses:**

In addition to the remuneration stated the Company may reimburse Independent Director, or bear and pay, all travel, accommodation or other expenses incurred as a result of him carrying out his duties as a director. The Independent Director may, at the Company's expense, seek independent legal or other professional advice where necessary to perform his duties and will be entitled to reimbursement of costs incurred in seeking such advice. In these circumstances, he should discuss the issues concerned with the Chairman of the Company in advance.

**Confidentiality:**

The Independent Director agrees that both during and after the term of Appointment, he will not use for his own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he may acquire by virtue of his position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

**Indemnity:**

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

**Governing Law:**

The Appointment and the terms are governed by the laws of India.

**Authority:**

The letter of appointment will be issued under the authority of the Board.

**Effective Date:**

The Policy is amended and became effective from 1<sup>st</sup> April, 2019

FOR, RAGHUVIR SYNTHETICS LIMITED

  
DIRECTOR/AUTHORISED SIGNATORY