



**AXIS SOLUTIONS LIMITED**  
**(Formerly known as Asya Infosoft Limited)**

**Nomination and Remuneration Policy**

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## 1. INTRODUCTION

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

This Nomination and Remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("**Act**") and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). 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. APPLICABILITY

This Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel
- Other employees

## 3. OBJECTIVE OF NR COMMITTEE

3.1 The NR Committee shall:

- I. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- II. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- III. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy and recommend to the board of directors their appointment and removal.
- IV. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- V. Devise a policy on diversity of Board of Directors ; and
- VI. 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.
- VII. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

## 4. DEFINITION

**"Board"** Board means Board of Directors of the Company.



**"Director"** Director means Directors of the Company appointed.

**"NR Committee"** NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

**"Company"** Company means Axis Solutions Limited.

**"Independent Director"** as provided under the Companies Act, 2013, an Independent Director in relation to a company means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director-

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as maybe prescribed, 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;
- d) none of whose relatives –
  - I. is holding any security or interest in the company, its holding, subsidiary or associate company 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;
  - II. 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;
  - III. 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;
  - IV. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii)
- e) who, neither himself nor any of his relatives



- I. holds or has held the position of a key managerial personnel or is or has been employee of the company 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; Provided in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during the preceding three financial years;
- II. 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 company or its holding, subsidiary or associate company; or
  - 2. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- III. holds together with his relatives two per cent. or more of the total voting power of the company; or
- IV. is a Chief Executive or director, by whatever name called, of any non- profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- V. is a material supplier, service provider or customer or a lessor or lessee of the company;
- VI. who possesses such other qualifications as may be prescribed under the Companies Act, 2013.

**"Key Managerial Personnel"** Key Managerial Personnel (KMP) means

- I. the Chief Executive Officer or the Managing Director or the Manager;
- II. the Company Secretary;
- III. the Whole-time Director;
- IV. the Chief Financial Officer;
- V. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- VI. Such other officer as may be prescribed under the applicable statutory provisions/ regulations.

**"Senior Management"** means the officers and personnel of the company 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 company.



## 5. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

- 5.1 The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.
- 5.2 The Nomination and Remuneration Committee shall be formed as per the provisions of the Act and Listing Regulations, as follow: the Committee shall comprise of at least three directors;

All the directors of the committee shall be non-executive directors; and at least fifty percent of the directors shall be independent directors.

The Chairperson of the NR Committee shall be an independent director, provided that the chairperson of the Board of Directors, whether executive or non-executive, may be appointed as a members of the NR Committee and shall not chair such committee.

- 5.3 Membership of the NR Committee shall be disclosed in the annual report of the Company.
- 5.4 Terms of the NR shall be continued unless terminated by the Board of Directors.
- 5.5 The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 5.6 At present, the NR Committee comprises of following Directors:

Name of Director	Category	Designation
Deepak Purshottambhai Prajapati	Non - Executive and Independent Director	Chairman
Nirali Parth Shah	Non - Executive and Independent Director	Member
Sherry Bhavesh Shah	Non - Executive and Non Independent Director	Member

## 6. CRITERIA FOR APPOINTMENT OF DIRECTOR AND SENIOR MANAGEMENT

The Committee shall consider the following factors for identifying the person who are qualified to becoming Director and who can be appointed in senior management:

- 6.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his/her appointment.



- 6.2 A Person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- 6.3 An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- 6.4 The Company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion indicating the justification for appointing such person.
- 6.5 The Company should ensure that the person so appointed as Director/ Independent Director/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- 6.6 The Director/ Independent Director/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or under listing regulations or any other enactment for the time being in force.
- 6.7 Independent Director shall meet all criteria specified herein under the head 'Definition' and also their appointment shall be governed as per the provisions of Section 149 of the Companies Act, 2013 (as amended from time to time).

The Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

## **7. TERM/TENURE**

### **7.1 Managing Director/ Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.

### **7.2 Independent Director**

Subject to the provisions of the Act, the Regulations and all other applicable rules, regulations, guidelines etc., An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for



re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

7.3 No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

7.4 The independent director shall at the first meeting of the Board in which she/he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act and Regulation 25 of the Listing Regulations.

7.5 At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director/ managing director of a listed company or such other number as may be prescribed under the Act.

7.6 **Stock Incentive** The Independent Directors shall not be entitled to any stock incentive of the Company.

7.7 **The Remuneration to the non-executive Directors** (including Independent Directors) 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.

## **8. REMOVAL**

Due to reason for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the NR Committee may recommend to the Board for removal of a Director, KMP or Senior Management personnel subject to the provisions and compliance of the said Act rules and regulations.

## **9. RETIREMENT**

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



## **10. CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTORS**

### **Criteria for determining positive attributes:**

The NR Committee shall consider the following factor for determine positive attributes of directors (including independent directors):

- 10.1 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- 10.2 Actively update their knowledge and skills with the latest developments in the Engineering Industry, market conditions and applicable legal provisions.
- 10.3 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- 10.4 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- 10.5 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- 10.6 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

### **Criteria for determining independence**

The Independent Director shall qualify the criteria for independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto and Regulations 16(b) and 25 of Listing Regulations.

## **11. PERFORMANCE EVALUATION**

The Provisions relating to the performance evaluation of the Directors and the Board are as follows:

- 11.1 Nomination and Remuneration Committee to carry out evaluation of every Directors Performance-Sec 178(2) of the Act.
- 11.2 Independent Directors to bring objective view in evaluation of performance of Board and Management -Schedule IV(II) of the Act.
- 11.3 Performance evaluation of Independent Directors shall be done by entire Board of Directors excluding the Director being evaluated- Schedule IV of the Act and Regulation 17(10) of Listing Regulations.



11.4 Disclosure in Board Report a statement indicating the manner in which formal annual evaluation of the performance has been made of the Board, its Committees and of individual Directors- Section 134(3)(p) of the Act.

## **12. CRITERIA FOR EVALUATION OF THE BOARD, ITS COMMITTEE & INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board is required to carry out annual evaluation of Board, its committees and individual Directors.

For annual performance evaluation of the Board as a whole, its Committee(s) and individual Directors including the Chairman of the Board, the Company shall formulate a questionnaire to assist in evaluation of the performance. The tool takes the form of a series of assertions/questions which should be awarded a rating on a scale of 1 to 5 by all individual Directors. Every Director has to fill the questionnaire related to the performance of the Board, its Committees and individual Directors except himself. On the basis of the response to the questionnaire, a formal annual evaluation shall be made by the Nomination and Remuneration Committee of the performance evaluation of the Board and that of its Committees and individual Directors.

## **13. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

At the appointment or re-appointment of Managing Director, Whole-time Director and KMPs, the Committee will recommend to the Board for their approval, the remuneration to be paid to them. The remuneration to be paid to the Senior Management Personnel shall be approved by the Board and other employees shall be as per HR policy of the Company.

The annual increment of remuneration for Managing Director/Whole-time Directors shall be made on the basis of the resolution approved by the shareholders. The annual increment in Salary of KMPs (other than Managing Director/Whole-time Directors), Senior Management Personnel shall be approved by the Board and other employees shall be made as per HR policy of the Company.

The level and composition of remuneration as determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

### **13.1 General**



- 13.1.1 Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company for the Non-executive Directors and Whole-time Director and other Executive Directors. The remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 13.1.2 Directors' and officers' Insurance : Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## 13.2 **Remuneration to Whole-time/ Managing Director**

### 13.2.1 **Fixed Pay**

The Whole-time Director/ Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including , employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders.

### 13.2.2 **Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of the Companies Act, 2013.

### 13.2.3 **Provisions for excess remuneration**

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval required under the Act, he/ she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company.

## 13.3 **Remuneration to Non-Executive/ Independent Director**

### 13.3.1 **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 INR One Lakh per meeting of the Board or



Committee. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors.

### **13.3.2 Commission**

The profit-linked Commission shall be paid within the monetary limit approved by the Board/ Shareholders of the Company subject to the same not exceeding 1% of the net profit of the Company computed as per the applicable provisions of the Regulations.

### **13.3.3 Stock Options**

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

## **13.4 Remuneration to KMP, Senior Management Personnel and other Employees**

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

## **14. DISCLOSURES**

The following disclosures are required under Companies Act, 2013 and the listing regulations:

- 14.1 Nomination and Remuneration Policy shall be placed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's Report. (proviso to Section 178(4) of the Act).



- 14.2 Company shall disclose the Criteria for performance evaluation of Independent Directors, as laid down by Nomination Committee, in its Annual Report. (Regulation 34 read with Schedule V of Listing Regulations)
- 14.3 All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company shall be disclosed in the Annual Report. (Regulation 34 read with Schedule V of listing regulations)
- 14.4 In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of Directors shall be made in the section on the corporate governance of the Annual Report:
  - I. All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
  - II. Details of fixed component and performance linked incentives, along with the performance criteria.
  - III. Service contracts, notice period, severance fees.
  - IV. Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable. (Regulation 34 read with Schedule V of listing regulations)
- 14.5 The Company shall publish its criteria of making payments to Non-Executive Directors in its annual report. Alternatively, this may be put up on the Company's website and reference drawn thereto in the annual report. (Regulation 34 read with Schedule V of listing regulations)
- 14.6 The Company shall disclose the number of shares and convertible instruments held by Non-Executive Directors in the annual report. (Regulation 34 read with Schedule V of listing regulations)
- 14.7 Non-Executive Directors shall disclose their shareholding held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as Directors, in the notice to the general meeting called for appointment of such Director. (Regulation 26 (4) of listing regulations)
- 14.8 Senior management shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the Company at large (for e.g. dealing in Company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.)( Regulation 26 (5) of listing regulations)
- 14.9 The Company shall disclose in the Board's report, the ratio of the remuneration of each Director to the median employee's remuneration and such other details as may be prescribed under Rule 5 of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014. (section 197(12) of the Act)

## **15. REVIEW AND AMENDMENT**



- 15.1 The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there is any statutory changes necessitating the amendment in the policy.
- 15.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc

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