

SOUTH ASIAN ENTERPRISES LIMITED

Nomination and Remuneration Policy

TITLE:

This Policy shall be called '**SAEL Nomination and Remuneration Policy.**'

OBJECTIVE:

The provisions in the Companies Act, 2013 and corresponding provisions in the revamped Clause 49 of the Listing Agreement have ushered Indian corporate system in to a new era of Corporate Governance placing onerous governance responsibilities on the shoulders of the Board of Directors and Key Managerial Personnel of the Companies.

Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement provide the necessary legal impetus for companies to have a policy and criteria for various matters like the remuneration of directors, key managerial persons and other employees, training of Independent Directors and performance evaluation of directors.

Considering this it is necessary to ensure quality of persons on the Board of Directors of the Company as well as in the Key Managerial personnel, as these are the persons who are entrusted with the responsibility of policy formulation for, direction to and execution of the business and operations of the Company.

DEFINITIONS:

Board means the Board of Directors of **South Asian Enterprises Limited**.

Company means **South Asian Enterprises Limited**.

Committee means Nomination and Remuneration Committee of Board of Directors

Director means a person who has been appointed as such on the Board of the Company and includes Executive as well as Non-Executive Directors.

Executive Director means a Director who is in the whole time employment of the Company and includes a Managing Director as well as a Whole time Director and Manager, if member of the Board.

Government includes Central Government as well as any of the State Governments, any statutory authority, tribunal, board or a governmental or semi-governmental authority or any authority or agency recognized by the Government.

HR Department means the Human Resource Department of the Company.

HR Policy means the Policy of the Company defining the criteria and process for the recruitment, training, appraisal etc. and dealing with other matters concerning the employees of the Company.

Key Managerial Person means a person appointed as such by the Board under section 203 of the Companies Act, 2013.

Nomination & Remuneration Committee means the Committee of the Board constituted as such under the provisions of section 178 of the Companies Act, 2013.

Non-Executive Director means a Director who is not in the whole time employment of the Company and includes an Independent Director, Promoter Director and Nominee Director.

Policy means this policy, as amended from time to time.

CONTENTS OF THE POLICY:

This Policy contains following:

- a) Process for the selection and appointment of Directors and Key Managerial Personnel;
- b) Criteria for determining remuneration of the Directors, Key Managerial Personnel and other employees of the Company;
- c) Training of Independent Directors.

(I) SELECTION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In case of Executive Directors and Key Managerial Personnel, the selection can be made in either of the ways given below:

- a) by way of recruitment from outside;
- b) from within the Company hierarchy; or
- c) Upon recommendation by the Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive Directors the selection can be made in either of the ways given below:

- a) by way of selection from the data bank of Independent Directors maintained by the Government.
- b) Upon recommendation by Chairman or other Director.

The appointment may be made either to fill up a vacancy caused by resignation, death or removal of an existing Non-Executive Director or it may be appointment as an additional director or an alternate director.

(II) QUALIFICATIONS, EXPERIENCE AND POSITIVE ATTRIBUTES OF DIRECTORS

- a) While appointing a Director, it shall always be ensured that the candidate possesses 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.
- b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may, if considered necessary, call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.

- c) In case of appointment as a Non-Executive Director, the candidate must be a graduate or possess diploma or a professional qualification in the field of his practice / profession / service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee, provided that the Board may waive the requirements of qualification and / or experience under this paragraph for a deserving candidate.
- d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

(III) PROCESS FOR APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) Process for the appointment of Executive Directors and Key Managerial Personnel:

- a) A proposal for the appointment of an Executive Director / Key Managerial Personnel with such details as may be prescribed shall be submitted for the consideration of the Committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board shall, based on the information available in the proposal and recommendation of committee deliberate upon the necessity for appointment, expertise, skill and knowledge of the candidate and reasonableness of the remuneration.
- c) The Board may call and seek the help of any other Company Official including the recommender or a Key Managerial Personnel while finalizing the appointment. The recommender shall not take part in the discussion or voting on the appointment of a Key Managerial Personnel.

(B) Process for the appointment of Non- Executive Directors:

- a) A proposal for the appointment of a Non-Executive Director with such details as may be prescribed shall be submitted for the consideration of the committee. The proposal with recommendation of committee will be placed before the Board.
- b) The Board, based on the information available in the proposal, shall deliberate upon the necessity for appointment, integrity, qualifications, expertise, skill and knowledge of the candidate.

(IV) REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
 - i) Criteria / norms for determining the remuneration of such employees prescribed in applicable statutory provisions and Company's internal criteria for remuneration.
 - ii) Existing remuneration drawn.
 - iii) Industry standards, if the data in this regard is available.
 - iv) The job description.
 - v) Qualifications and experience levels of the candidate,
 - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, and removal etc. of an existing employee.
 - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

- b) The determination of remuneration for other employees shall be governed by the HR Policy.
- c) The proposal for the appointment of an Executive Director / Key Managerial Personnel shall provide necessary information in this regard including recommendation of Committee to the Board in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).
- d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.
- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof.
- f) The Non-Executive Directors shall not be eligible to receive any remuneration / salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board / shareholders from time to time.

The Non-Executive Directors shall also be eligible to receive reimbursement of reasonable out-of-pocket expenses incurred by them for attending the meetings of the Board, committees or shareholders, including travelling and lodging & boarding expenses or such other expense incurred by them regarding the affairs of the Company on an actual basis.

- g) The amount of sitting fee and commission payable to Non-Executive Directors shall not exceed the limits prescribed therefor under the provisions of the Companies Act, 2013.

Explanation: For the purposes of this Policy, Remuneration shall mean the Cost to the Company and shall include the salary, allowances, perquisites, performance incentive and any other facility provided or payment made to the employee.

(V) TRAINING OF INDEPENDENT DIRECTORS

The Company shall arrange to provide training to Independent Directors to familiarize them with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

The training may be provided in any of the ways given below:

- a) By providing reading material to the Independent Director(s) giving all relevant information about the Company, industry and the role of Independent Directors.
- b) An induction program devised for the Independent Director(s) wherein structured training is provided to the Independent Director(s) either exclusively or with other officials of the Company who are due for such induction / training.
- c) The Independent Directors being inducted in by the COO, CFO and the Compliance Officer.
- d) Such other manner as may be prescribed by applicable law or decided by the Board.

INTERPRETATION:

- a) Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made

thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.

- b) The reference to the male gender in the Policy shall be deemed to include a reference to female gender.
- c) In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy, the same shall be referred to the Committee and the decision of the Committee in such a case shall be final. In interpreting such term / provision, the Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

AMENDMENTS:

The Board of Directors shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy

South Asian Enterprises Limited

Whistleblower Policy

Preamble

Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement require every listed company to establish a vigil mechanism/ Whistleblower Policy for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted the following policy for implementing Vigil Mechanism.

This policy applies to all directors and employees of the Company. All directors and employees of the Company are eligible to make disclosures under this Policy in relation to matters concerning the Company.

Objectives

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Vigil (whistleblower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy. The mechanism provides for adequate safeguards against victimization of directors and employees to who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation or with a malafide intent.

Scope of Policy

The policy covers the following unlawful or unethical or improper practice or activity:

- Deliberate violation of any law/regulation;
- Misuse or misappropriation of the assets of the Company;
- Gross waste or misuse or misappropriation of the Company's funds;
- A substantial and specific danger to health and safety;
- An abuse of authority;
- Breach of Company's Code of Conduct or Rules;
- Criminal Offence;
- Any other unethical, biased event.

While it will be ensured that genuine whistleblowers are accorded complete protection from any kind of unfair treatment and any abuse of this protection will warrant disciplinary action. Whistleblowers, who make any disclosures, which have been subsequently found to be malafide, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

Receipt and Disposal

Employees can make disclosures as soon as possible but not later than 30 consecutive days after becoming aware of the same.

All disclosures should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman of the Audit Committee are as under:

Name: **Shri P.K. Sharan-Independent Director**
Address : **E-8, Lajpat Nagar- III, New Delhi, 110024**
Phone: **29830027**

The Chairman may himself or by his representative shall carry out investigations as he may deem fit and proper. He shall note the complaint in a register maintained for this purpose and inter-alia find the basis of the complaint. He shall be given access to any information or evidence in relation to the complaint as he pleases and is authorised to call any employee of the Company for clarification(s). He shall within a period of thirty days complete the investigations and submits his findings in a detailed manner to the Audit Committee.

Protection

No unfair treatment will be meted out to a whistleblower by virtue of his/her having reported a Disclosure under this Policy. The Company, as a rule, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistleblower. Complete protection will, therefore, be given to the whistleblower against any unfair practice/s. The identity of the whistleblower shall be kept confidential.

Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistleblower.

Any attempt to victimize or meet out unfair treatment to the whistleblower or any person connected with the investigation shall be strictly dealt with, as per Code of Conduct or applicable law, as the case may be.

Reporting

A quarterly report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee.

Amendment

The Board of Directors may amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

South Asian Enterprises Limited

Risk Management Policy

Introduction

Risk management is to identify and manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

Risk Strategy:

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company believes that the Risk cannot be eliminated. However, it can be:

- Reduced, by having good internal controls;
- Avoided, by not entering into risky businesses;
- Retained, to either avoid the cost of trying to reduce risk or in anticipation of higher profits by taking on more risk, and;

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: regulations, competition, business risk, investments, and retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk etc. For managing risk more efficiently, the company would need to identify risks that it faces in trying to achieve its objectives. Once these risks are identified, the risk manager would need to evaluate these risks to see which of them will have critical impact on the company and which of them are not significant enough to deserve further attention.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

Risk Management Framework

In principle, risks always result as consequence of activities or as consequence of non-activities. Risk Management and Risk Monitoring are important in recognizing and controlling risks. The entirety of enterprise risk management is monitored and modifications made as necessary. Risk mitigation is an exercise aiming to reduce the loss or injury arising out of various risk exposures.

Company shall adopt systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. The Company believes that this would ensure mitigating steps proactively and help to achieve stated objectives.

Risk Assessment

Risks are analysed, considering likelihood and impact, as a basis for determining how they should be managed. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks. The Company functions under a well-defined organization structure. Flow of information is smooth to avoid any conflict or communication gap between departments. Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.

Financial Reporting of Risks

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, Securities and Exchange Board of India (SEBI) rules and regulations, and stock market listing regulations are some of the factors posing uncertainty for companies. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations.

New Companies Act, 2013 has not been fully operationalized, and the parts which have not been operationalized, still consist of lot of practical challenges. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such corporate governance standards.

The Company is committed to maintaining high standards of corporate governance and public disclosure and will make all efforts to comply with evolving laws, regulations and standards in this regard which would help it to address these issues.

Legal Risk

Company is governed by various laws and has to do its business. It has an experienced team of professionals, advisors who focus on evaluating the risks involved in a contract, ascertaining our responsibilities under the applicable laws of the contract, restricting our liabilities under the contract, and covering the risks involved so that they can ensure adherence to all contractual commitments. The Company has established a compliance management system.

Disclaimer Clause

The Management cautions readers that the risks outlined above are not exhaustive and are for information purposes only. Management is not an expert in assessment of risk factors, risk mitigation measures and management's perception of risks. Readers are therefore requested to exercise their own judgment in assessing various risks associated with the Company.

Amendments

The Policy may be reviewed and amended from time to time.

South Asian Enterprises Limited

Policy on Prevention of Sexual Harassment of Women at Workplace

Commitment

Our Company is committed to provide a work environment that ensures every woman employee is treated with dignity. The Company is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality of opportunity.

The Company will not tolerate any form of sexual, mental or any other harassment and is committed to go to any length to ensure that.

Scope

This policy applies to all categories of employees of the Company, including permanent management and workmen, temporaries, trainees and employees on contract at its workplace or at client sites.

Meaning of Sexual Harassment

Sexual harassment may be one or a series of incidents involving unsolicited and unwelcome sexual advances or requests.

Sexual Harassment at the workplace includes: unwelcome sexual advances (verbal, written or physical), demand or request for sexual favours, any other type of sexually-oriented conduct, verbal abuse or 'joking' that is sex-oriented, any conduct that has the purpose or the effect of creating an intimidating, hostile or offensive work environment whether explicit or implicit.

Responsibility

All employees of the Company have a personal responsibility to ensure that their behavior is not contrary to this policy. All employees are encouraged to reinforce the maintenance of a work environment free from sexual harassment.

Complaint Mechanism

A women employee can directly approach the Presiding Officer of Internal Complaints Committee or any member of the Committee for registering a complaint, identity of the complainant shall be kept confidential at all times. The women employee includes women engaged in any capacity to whom this policy applies.

A committee called '**Internal Complaints Committee**' has been constituted, presently headed by Dr. (Mrs.) Neeraj Arora - Director of the Company along with additional two members having legal knowledge and one member who is familiar with issues relating to sexual harassment, for time-bound (within 90 days) redressal of the complaint(s) made by such employee. The contact details of the presiding officer are as under:

Name : Dr. (Mrs.) Neeraj Arora

Phone No.: 011-46656666

Email : vparora@yahoo.com

Address : 5B/03, Calvin Road, Lohiya Road, Near Tata Auto Sales,
Adj. First Flight Courier, Civil Lines, Allahabad-211001 (U.P.)

Anyone who abuses the procedure (by maliciously putting an allegation knowing it to be untrue) will be subject to disciplinary action. However, simply not being able to prove an allegation will not mean that it is a false/malicious complaint.

Amendment

The Board has the right to amend this policy, whole or in part at any time without assigning any reason. In case of amendment in statutory provisions/ regulations necessitating amendment, the relevant portions of policy shall be deemed to have been modified from the date of amendment in relevant statutory provisions. In such case the modified policy shall be placed for review by the Board in regular course.