

**KRANTI INDUSTRIES LIMITED****POLICY ON ORDERLY SUCCESSION FOR APPOINTMENTS
TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT***(Effective Date: 11th February, 2022)*

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1. INTRODUCTION

The Securities and Exchange Board of India (SEBI) has mandated the need for a succession policy pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as “Listing Regulations”).

This is one of the most significant attempts to ensure that investors do not suffer due to sudden or unplanned gaps in leadership. It is a mandate for boards of all listed companies to develop an action plan for successful transition of board and key executives.

Section 178 of the Companies Act, 2013 (“Companies Act”), the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management is an object of the Nomination and Remuneration Committee.

The Nomination & Remuneration [the ‘Committee’] shall be responsible for implementing this Policy and its related procedures. Accordingly, this succession plan (“Succession Plan”) for the appointment of the Directors on the Board and Key Managerial Personnel has been prepared to give effect to the provisions of the Listing Regulations.

2. OBJECTIVE

The objectives of the succession planning programme shall, inter-alia, include the following:

- To ensure the orderly identification and selection of new Directors or Senior Management in the event of any vacancy.
- To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives.
- To identify the key job incumbents in Senior Managerial positions and recommend whether the concerned individual (i) be granted an extension in term/service or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s) as per the service rules of the Company.
- To ensure the systematic and long-term development of individuals in the Board or senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrences.



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3. APPLICABILITY:

The Policy shall be applicable for succession planning of the following personnel:

1. Managing Director, Executive Director and other Board of Directors;
2. Key Management Personnel and Senior Managerial Position:-
 - a. Chief Financial Officer
 - b. Company Secretary and
 - c. Any other Senior Executive as decide by the Board.

4. DEFINITIONS

- I. **“Nomination and Remuneration Committee”** or **“Committee”** means the Committee of the Board constituted/re-constituted under the provisions of Regulation 19 of the LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013 as in force from time to time.
- II. **“Board of Directors”** or **“Board”** means the Board of Directors of **Kranti Industries Limited** as constituted/re-constituted from time to time.
- III. **“Company”** means Kranti Industries Limited.
- IV. **“Policy”** or **“this Policy”** means Succession Policy.
- V. **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors that includes CEO/CFO/CS/President.

5. PROCEDURE FOR SUCCESSION

a) Succession Plan for the Board and the KMPs:

The Nomination and Remuneration Committee of the Company shall identify the suitable person from among the existing board members/top management or from the outside to fill up the vacancy at the Board level.

The Committee shall apply a diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as a director or KMP of the Company based on his/her educational qualifications, experience and track record.



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The appointment, re-appointment or removal of the person at the Board and KMP level shall be recommended by the Committee and approved by the Board. Such appointment, re-appointment or removal shall be in accordance with the applicable provisions of the Companies Act, the Listing Regulations and other laws as applicable to the Company.

b) Succession Plan for the Senior Management:

The Committee shall periodically review and consider the list of Senior Management due for planned or unplanned separation within the year. The Committee shall also consider new vacancies that may arise because of business needs or up-gradation of department(s). Accordingly, the Committee shall assess the availability of suitable candidates for the Company's future growth and development.

The vacancy or fresh appointments at the Senior Management level shall be in line with the internal policy(ies) adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

The Board may authorize the Committee to frame an internal policy for identifying and developing an internal pool of talent for future leadership role in different department(s)/division(s) in accordance with the requirement of such department(s)/division(s).

The Chairperson & Managing Director, the Executive Directors and the Head - Human Resources shall also, from time to time, identify & recommend high-potential employees who merit faster career progression and formulate, administer, monitor and review the process of skill development and identify training requirements in respect of such employees. The appointment of Senior Management shall be in accordance with the applicable provisions of the Companies Act, the Listing Regulations and other laws as applicable to the Company.

6. EMERGENCY SUCCESSION

If a director's slot/Senior Management's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee/ Executive Directors shall convene a special meeting as early as possible to implement the process described herein.

For a temporary change in executive leadership (i.e., illness or leave of absence for long time), the immediate junior officer, reporting to such executive, shall take charge in place of his/her senior until the senior executive re-joins the office or if he/she is not competent in the view of the Chairperson and Managing Director or the Committee, then such other person who is competent to take the charge as may be decided by the Managing Director or the Committee will take charge until the senior executive re-joins the office.



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7. REVIEW AND MONITORING

The Nomination and Remuneration Committee shall review and monitor from time to time the implementation of this Policy to ensure its effectiveness and may also recommend changes, if any, to the Board for ensuing effective succession planning.

8. AMENDMENTS TO THE POLICY

The Nomination and Remuneration Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy.

The Nomination and Remuneration Committee shall reserves the right to amend this Policy from time to time based on changing requirements as prescribed by the SEBI/Stock Exchange(s) or any other appropriate statutory authority

9. DISCLOSURES

The web-link of the Policy shall be disclosed in the annual report of the Company and posted on the website of the Company, if required under the Companies Act, 2013 and rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other regulatory requirements.

Date:- 11/02/2022
