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**CRITERIA / POLICY OF MAKING  
PAYMENTS TO NON-EXECUTIVE  
DIRECTORS**

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## CRITERIA / POLICY OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as Equity Listing Agreement, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully.

As per Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, listed entity shall disseminate following information on the website of the Company:

### Criteria of making payments to non-executive directors:

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

#### ➤ **Sitting Fee:**

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, Equity Listing Agreement or other applicable law or for any other purpose whatsoever as may be decided by the Board;

#### ➤ **Commission:**

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has either managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company.

Currently the Company is not paying Commission to its NEDs.

#### ➤ **Professional Fees**

Under the Companies Act, 2013, Section 197 allows a Company to pay remuneration to its NEDs for services rendered by any such Director if:

- a) The services rendered are of Professional nature;
- b) In the opinion of Nomination and Remuneration Committee the Director possess the requisite qualification for the practice of the profession.

As per the provision of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non-Executive Director(s), and with the approval of the Shareholders where ever required.

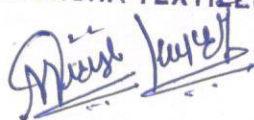
#### ➤ **Reimbursement of actual expenses incurred:**

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.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

#### ➤ **Payment to independent directors:**

For MANISHA TEXTILES LIMITED, an independent director shall not be entitled to any stock option and may receive remuneration only by way



Director

of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

➤ **Refund of excess remuneration paid:**

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the prescribed limit or without the prior sanction of the Central Government, where it is required, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it unless permitted by the Central Government.

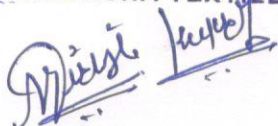
➤ **Stock Options:**

As per the Regulation 17 of the Listing Regulations, the shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate. Provided that an independent director shall not be entitled to any stock option and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.

**Amendments**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

**For MANISHA TEXTILES LIMITED**



**Director**



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**CODE OF PRACTICES AND PROCEDURES  
FOR FAIR DISCLOSURE OF UNPUBLISHED  
PRICE SENSITIVE INFORMATION**

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## CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

### Preface:

Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("The Regulations"), mandate every Listed Company to formulate and publish on its official Website, code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to the regulations. This Code has been reviewed and approved by the Board of Directors of the Manisha Textiles Limited ("the Company") and shall come into effect from the date of listing of Equity Shares of the company.

### Applicability:

This Code shall be applicable and binding on all the employees, officers, directors and those persons authorized to speak on behalf of the Company.

### Coverage:

#### A. Unpublished Price Sensitive Information:

"Unpublished Price Sensitive Information" means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available, which upon becoming generally available is likely to materially affect the price of the Securities and shall generally include, but not restricted to, information relating to the following:

- a) Financial results;
- b) Dividends;
- c) Change in capital structure;
- d) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- e) Changes in key managerial personnel; and
- f) Material events in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations")

#### B. Material Information as specified under the Listing Regulations:

Material information means any information relating to the business or affairs of the Company that results in, or would reasonably be expected to result in a significant change in the market price or value of the securities of the Company or that would reasonably be expected to have a significant influence on any reasonable investor's investment decisions. Material Information inter alia, includes all the information as provided in the **Annexure II-A**, **Annexure II-B** and further also includes other events specified in **Annexure-III** of Policy for Disclosure of Material Events or Information and Disclosure & Determination of Materiality of Events or Information, as approved by the Board of Directors of the Company, uploaded on the website of the Company.

For the purpose of this Code, all the above information including unpublished price sensitive information would be referred to as "Material Information."

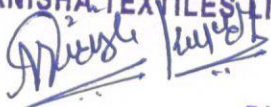
#### Basic Principles of Disclosures:

Procedures governing the disclosure of Material Information required to be disclosed shall provide that such disclosure shall be made in accordance with the following principles:

- A. Information should be disclosed immediately through the stock exchanges.
- B. Under certain circumstances, the Company may determine that such disclosure would be unduly detrimental to the Company (for example if release of the information would cause prejudice to negotiations in a corporate transaction), in which case, the information shall be kept confidential until the Company determines it may be publicly disclosed. Information should be disclosed only after there is credibility to the information and the information has concretized.

C. Disclosures should be made in a timely manner.

For **MANISHA TEXTILES LIMITED**



**Director**



- D. Disclosure must be complete in all material respects and should not be misleading.
- E. Unfavorable Material Information must be disclosed as promptly and completely as favorable information.
- F. Disclosure must be corrected immediately if the Company is subsequently made aware that its earlier disclosure contained a material error or omission at the time it was given.

**Disclosure of Material Information:**

The Company shall disclose Material Information concerning its business and affairs to the public immediately, except when otherwise required for the purpose of maintaining the confidentiality of the information. This Code is to enable all persons investing in the securities of the Company to have the opportunity for equal and timely access to information that may affect their investment decisions regarding those securities.

This Code further provides that, once there is credibility to the information and once the information is reached to a level of concretization, the information would be disclosed by the Company in a timely manner.

**Process of Disclosures of Material Information:**

In case any Functional Head becomes aware of some Material Information about the Company, the said Functional Head would contact the Compliance Officer or Managing Director of the Company.

The Compliance officer and/or Managing Director would then determine whether the information requires disclosure to the stock exchanges or not in accordance with the Listing Agreements. Thereafter, concerned functional head will prepare the content of the disclosure and determine the timing of the disclosures. Thereafter, the company will disclose the said information to the stock exchanges.

**Delay in Disclosing Material Information:**

Under certain circumstances, the Company may keep Material Information confidential for a limited period of time because immediate disclosure may compromise certain strategic business opportunities of the Company or may not be disclosable due to third-party confidentiality restrictions or uncertainty of events.

The determination of when not to disclose Material Information immediately shall be made by the Compliance officer and/or Managing Director of the Company.

**Information to be shared on a Need to Know basis:**

The directors/ employees of the Company shall not discuss the matters or developments regarding the Company which in any way relate to Material Information with any other persons, except that are required to be disclosed in performance of his or her duties or under applicable laws or regulation so in legal proceedings.

To protect Material Information from disclosure, the directors/ employees of the Company:

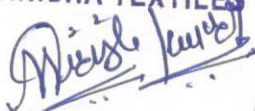
- A. Should not discuss Material Information in public places where Material Information may be overheard (e.g., elevators, restaurants, airplanes, taxicabs) or participate in, host or link to Internet chat rooms, online social networking sites, news group discussions or bulletin boards which discuss matters pertaining to the Company's activities or its securities;
- B. Should not carry, read or discard Material Information in an exposed manner in public places;
- C. Should not discuss Material Information with any other persons, except as required in performance of his or her duties;
- D. Shall advise the other persons with whom they are meeting where Material Information may be disclosed, before the meeting, that they must not divulge the Material Information; and
- E. Should not deal in the securities of the Company until the Material Information is publicly disclosed.

**Unintentional/ Inadvertent Disclosure:**

In the event the Company makes an unintentional disclosure of Material Information, it shall forthwith take steps to ensure that the same is disclosed to the stock exchanges immediately.

Further, if the Company becomes aware that there has been an inadvertent disclosure of Material Information, it should immediately contact the Chief Financial Officer, who in consultation with the Managing Director, shall

For **MANISHA TEXTILES LIMITED**



**Director**

consider the matter and take appropriate steps.

#### **Contacts with Analysts and other Investors:**

The Company communicates with its institutional shareholders through meetings with analysts and discussions between fund managers and management. The Company also participates at investor conferences from time to time. All interactions with institutional shareholders, fund managers and analysts are based on generally available information that is accessible to the public on a non- discriminatory basis. The presentations made to analysts and fund managers are placed on the Company's website. The official news releases are also displayed on the said website.

The main channel of communication to the shareholders is through the annual report. Details relating to quarterly performance and financial results are disseminated to the shareholders through press releases and uploaded on the Company's website.

#### **Market Rumors**

The company shall not comment, affirmatively or negatively, on market rumors. Should a stock exchange request that the Company make a definitive statement in response to a market rumor that is causing significant volatility in the securities of the Company, the Compliance Officer and/or Managing Director shall consider the matter and content of the Company's response, such as confirming "no corporate development at this time".

#### **Review of Analyst Reports**

The Company may at the request of the Analysts, review their research reports for the limited purpose of pointing errors based on previously disclosed information.

#### **Maintenance of Disclosure Records**

The Company shall maintain and store records in respect of disclosures made by it through any means under the relevant provisions of the Companies Act, 2013, Rules made thereunder, SEBI Act, 1992, Rules, Regulations and Guidelines issued there under and the Listing Agreements, for audit and future reference.

#### **Share Dealing Code**

No Employee including his/her Immediate Relatives shall either on his/ her own behalf or own behalf of any other person, trade or undertake to trade or cause to trade in the Securities of the Company;

- A. When he/she is in possession of any Unpublished Price Sensitive Information and
- B. During the Restricted Trading Period.

#### **Amendments and Modification**

This Code shall be reviewed from time to time and any amendments or modifications thereto shall be subject to review and approval of the Board of Directors of the Company.

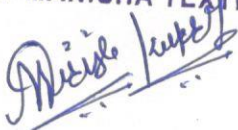
#### **Disclosure:**

The Code will be placed on the Website of the Company.

#### **Amendment**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

For **MANISHA TEXTILES LIMITED**



**Director**

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