



**POLICY FOR DELEGATION OF POWERS BY THE BOARD TO THE MANAGEMENT COMMITTEE  
AND MANAGING DIRECTOR**

**OF**

**PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

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**PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED**

**POLICY FOR DELEGATION OF POWERS BY THE BOARD TO THE MANAGEMENT COMMITTEE AND  
MANAGING DIRECTOR**

**1. SCOPE OF THE POLICY:**

The purpose of this policy is to ensure efficient operations of the Company by establishing levels of authority and/or designate officers who may sign written instruments or take other actions and decisions in the name of and on behalf of the Company. The Board has constituted the Management Committee for delegation of certain powers of the Board and for approving transactions which are imperative in nature and falling under the specified threshold limits.

Implementation of this policy will facilitate the effective devolution of activities, transfer of required decision-making powers and better segregation of duties and responsibilities. This Delegation of Authority is a living corporate instrument and is the starting point upon which periodic reviews and continuous improvements will be made in response to evolving business demands.

To apply the provisions of this Policy, it should be kept in mind that the approval process follows the appropriate reporting chain of command.

It must be emphasized that the amounts set forth in this Policy represent the maximum limits of commitments by the authorized individual. It is often appropriate for individuals covered by this Policy, as well as other employees who are delegated authority, to obtain the counsel and approval of higher authorities, even when not required by this Policy. The principle must be followed as to commitments and transactions which differ from the Company's existing businesses and types of transactions that involve an increasing or uncertain risk. It is the responsibility of all individuals delegated authority by this Policy to assess such situations and obtain approvals at levels appropriate to the matter under consideration.

**2. OBJECTIVE:**

- The authorization limits and their delegations within the Company help to ensure consistent good business practice and corporate governance, thereby aligning objectives and procedures followed as well as safeguarding company's interest.
- The principal objectives of the Policy are to establish:
  - (i) authority limits appropriate to empower the Managing Director to be able to act effectively and make key decisions in relation to the company;
  - (ii) authority limits for entering into contracts, commitments, and appropriating company assets in the course of conducting company business; and
  - (iii) the requirements for the delegation of those authority limits.
- This document serves as a single point of reference for the Management Committee and Managing Director's authority limits. This Policy does not replace other specific policies in relation to the procedures to be followed for particular types of activities and should be read in conjunction with these other policies.

**3. POLICY REVIEW AND COMPLIANCE:**

- Custodian of this Policy shall be the Company Secretary.
- The Policy will be reviewed and re-issued at minimum on an annual basis.
- Non-compliance with the Policy may result in disciplinary action.
- An individual may not act as if they have authority where they have no authority or where a transaction exceeds the individual's level of authority.

- There are three (3) levels of delegation starting with the Managing Committee. Following the Committee, the Managing Director of the company – Mr. Munjal Sharad Shah has the greatest authority followed by such other employees or authorized person/s as may be authorized by the MD to act on his behalf.
- Sub-delegation on a temporary basis is appropriate in circumstances where the Managing Director is absent for a period of less than four weeks. Such sub-delegation requires written authority with the power being delegated.

**4. COMPOSITION OF THE MANAGEMENT COMMITTEE:**

The Management Committee of board of directors of the company shall consist of the following persons:

<b>Sr. No.</b>	<b>Name of the Proposed Members</b>	<b>Designation</b>
1.	Mr. Munjal S. Shah	Managing Director
2.	Mrs. Shilpa A. Mahajan	Whole-time Director
3.	Mr. Harsh Bhansali	Chief Financial Officer
4.	Mr. Amit Navin Mahajan	Director (Technical and R&D)

Mr. Ajit K. Sharma, the Company Secretary of the Company shall act as the secretary to the committee.

**5. QUORUM OF THE MANAGEMENT COMMITTEE:**

- The quorum of the meeting of the Management Committee shall be either two members or one third of the members of the Management Committee, including at least one member of the board of directors in attendance.
- Any fraction contained in the above one-third shall be rounded off to the next one.
- Members participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum and voting.
- Quorum shall be present not only at the time of commencement of the meeting but also while transacting business.

**6. LIST OF DELEGATED POWERS TO THE MANAGEMENT COMMITTEE:**

The Management Committee of Board of Directors of the company shall exercise the following powers on behalf of the company amounting to limit of Rs.10,00,00,000/- (Rupees Ten crores only) per transaction by means of resolutions passed at meetings of the Committee, namely:

- to borrow money;
- to invest the surplus funds of the Company;
- to grant Loans & advances or give Guarantee or provide Security in respect of loans;
- to provide inter Corporate Loans & advances;
- to Open or Close Bank Accounts;
- to apply for corporate Debit Card, Credit Card etc.;
- to enter into leave & license agreements;
- to execute powers of attorney authorizing and appointing an authorized representative;
- any other matter which may be prescribed.

**7. DELEGATED POWERS OF THE MANAGING DIRECTOR:**

The Managing Director of the Company shall exercise the financial powers on behalf of the company amounting to a limit of Rs. 2,00,00,000/- (Rupees Two Crores Only) per transaction.

The powers delegated to the Managing Director are sub-divided under two categories as stated under:

**(I) Financial Powers:**

- to develop and implement operational policies and plans as approved by the Board;

- to pay the costs, charges and expenses incidental to the running of business and affairs of the company;
- to enter into agreements for lease of any property required for carrying on the business of the Company as per the approval of the Board;
- to make and give receipts, releases, and other discharges for money payable to the company and for the claims and demands for the company;
- to incur capital expenditure within the permitted limit, and anything above with approval of the Board of the company;
- to ensure that all taxes due to the Central and State Governments and Municipal authorities are paid promptly;
- to approve expenditure on sales promotion, including participation in exhibitions in India and abroad, and entertainment of customers / prospective customers, subject to budget provision;
- to approve expenditure on advertisements and publicity subject to budget provision;
- to sub delegate all or any of the powers, authorities and discretion vested in him for the time being, subject, however, to the ultimate control and authority being retained by him;

**(II) General Powers:**

- to make applications for grant of licenses, permissions, and approvals necessary for running the business of the company;
- to enter into transactions and/or agreements resulting in investment in other entities, Merger & Acquisition (M&A), Joint Ventures partnerships, etc. resulting in beneficial ventures for the Company as per the approval of the Board;
- to create or abolish permanent / temporary posts as per existing salary structures which falls within the approved manpower budget. For creating / filling up Key Managerial Personnel (KMP) positions / posts, approval of NRC shall be taken;
- to promote, appoint, remove, or suspend such managers, officers, workmen, consultants, agents or any members of staff as necessary for running the business operations, and to determine their powers and responsibilities, and to fix their salaries or emoluments, and to obtain commensurate securities/guarantees;
- to institute, prosecute, defend, compromise, withdraw or abandon any legal proceedings by or against the company or its officers or otherwise answering the affairs of the company and to act on behalf of the company in all matters relating to insolvency or liquidations and to apply for, to obtain letters for administration with or without will, annexed to the estate persons with whom the company has dealings;
- to determine who shall be entitled on behalf of the company to make, draw, sign, accept, endorse and negotiate all such cheques, promissory notes, drafts, pay orders, bills of exchange, bills of lading and other documents of title and securities (including government and other promissory notes) contracts, transfer of deeds and other instruments as shall be necessary for carrying on the business of the company;
- to negotiate terms and conditions with prospective customers of the Company for supply of its products and services in India and abroad;
- to approve proactive R&D projects relating to business lines of the company during any particular year, and the expenditure of all proactive R&D projects shall be reported to the board;
- to approve techno-commercial feasibility / business development study projects with the objective of identifying new products / new business lines for growth and prosperity of the organization;
- to carry out any other act as entrusted by the Board of Directors and/or the Management Committee.

Any question or ambiguity arising from the exercise of such powers shall be submitted to the Board of Directors for determination.

The above powers of the Managing Director shall not be exercised in the event of the Managing Director having a potential personal interest in or a conflict of interests of any character with the Company.

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