

# SHREE KRISHNA INFRASTRUCTURE LIMITED

## **NOMINATION AND REMUNERATION POLICY**



# SHREE KRISHNA INFRASTRUCTURE LIMITED

## PREAMBLE

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors of the Company.

## OBJECTIVE OF THE POLICY

The objective of the policy is to ensure that

- To lay down criteria and terms and conditions with regard to identifying person who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement of Organization's goals as entrusted on them.
- To retain, motivate and promote talent and to ensure long term retention of alented managerial persons and create competitive advantage.

## DEFINITIONS

**"Act"** means Companies Act, 2013 and rules there under.

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

**"Casual Vacancy"** means vacation of an officer before expiry of term of that office in normal course.

**"Committee"** means Nomination and Remuneration Committee of the Company as, constituted by the Board, in accordance with the Act and LODR Regulations, as amended from time to time.

**"Company"** means Shree Krishna Infrastructure Limited.

**"Director(s)"** means Directors of the Company.

**"Independent Director"** means a Director referred to in Section 149 (6) of the Act.

# SHREE KRISHNA INFRASTRUCTURE LIMITED

**“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**“Key Managerial Personnel”** means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) Such other officer as may be prescribed.

**“Senior Managerial Personnel”** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

**“LODR Regulations”** means SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**“Policy”** means Nomination and Remuneration Policy.

## **ROLE OF THE COMMITTEE**

### **The role of the NRC will be the following**

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **FREQUENCY OF THE COMMITTEE MEETINGS**

The Nomination and remuneration committee shall meet at least once in a year as per Regulation 19 (3A) SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

# SHREE KRISHNA INFRASTRUCTURE LIMITED

## SCOPE

In terms of Section 178 of the Act, this Policy provides guiding principles for appointment, cessation of appointment, performance evaluation and remuneration of Directors, Key Managerial Personnel and Senior Management Employees of the Company.

## APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- 2) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- 3) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

## TERM/TENURE

- 1) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- 2) Independent Director: 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.
- 3) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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.

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 of a listed company or such other number as may be prescribed under the Act.

# SHREE KRISHNA INFRASTRUCTURE LIMITED

## EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## EVALUATION OF WHOLE-TIME/EXECUTIVE DIRECTORS

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, also of the Board as a whole and its Committees individually has been carried by your company as per the evaluation criteria formulated by the Nomination and Remuneration Committee and approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013 and the guidelines prescribed by the Securities and Exchange Board of India in its circular dated January 5, 2017. Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

## MECHANISM AND APPROACH

The process will be initiated each year by the Chairman of the Board. At the Board's discretion, the Company Secretary or any other person designated by the Board will coordinate the Board self-evaluation or an external consultant may be appointed to assist with this process.

## PROCESS

### Evaluation of Independent Directors

While evaluating the performance of Independent Directors following points needs to be considered. Name of the Director being assessed:

**O=Outstanding; VG=Very Good; G=Good; F=Fair; NI=Needs Improvement**

Name of the Director being assessed: \_\_\_\_\_

Evaluation criteria	O	VG	G	F	NI
Attendance and participations in the meetings					
Raising of concerns to the Board					
Safeguard of confidential information					
Rendering independent, unbiased opinion and resolution of issues at meetings.					
Initiative in terms of new ideas and planning for the Company.					
Safeguarding interest of whistle-blowers under vigil mechanism.					
Timely inputs on the minutes of the meetings of the Board and Committee's, if any.					

# SHREE KRISHNA INFRASTRUCTURE LIMITED

## Evaluation of Overall Board/Committees

Evaluate the following statements in relation to overall Board performance:

Name of the Director being assessed: \_\_\_\_\_

Evaluation criteria	O	VG	G	F	NI
The Board knows and understands the Company's mission and reflects this understanding when addressing key issues.					
The Board engages in long-range strategic thinking and planning					
The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities					
The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.					
Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues					
The Board meeting agenda is well balanced, allowing appropriate time for the most critical issues.					
The Board and Committee meetings are of reasonable length.					
The composition, terms of reference, roles and responsibilities of the committees are in line with the prevalent regulations and are adhered to by the members.					
The Committees are comprised of the right number and type of members.					
The Committees are effective, focusing on pertinent topics and allocating reasonable time.					
The Committees report back to the Board and do not exceed their authority.					
The Board recognizes its policy-making role, and reconsiders and revises policies as necessary.					
The Board is consistent about being prepared for meetings and staying engaged.					
The Board receives timely, accurate, and useful information based upon which to make decisions.					
The Board reviews and adopts a reasonable operating budget that is followed and monitored throughout the year.					
Board expectations, and concerns are promptly, candidly, and effectively communicated to the Chairman of the Board.					
The Board anticipates issues and does not often find itself reacting to "crisis" situations.					

# SHREE KRISHNA INFRASTRUCTURE LIMITED

## Evaluation of Key Management Personnel and Senior Executives

While evaluating the performance of Key Management Personnel and Senior Executives (other than Directors) following points shall be kept in mind:

Evaluation criteria	O	VG	G	F	NI
Abidance and behaviour in accordance with ethical standards & code of conduct of Company.					
Interpersonal and communication skills					
Safeguard of confidential information					
Team work attributes					
Initiative in terms of new ideas and planning for the Company.					
Safeguarding interest of whistle-blowers under vigil mechanism.					
Compliance with policies of the Company, ethics, code of conduct, etc.					

## **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act 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.

## **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **A. Remuneration to Managing Director / Whole-Time Directors**

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

# SHREE KRISHNA INFRASTRUCTURE LIMITED

## **B. Remuneration to Non- Executive / Independent Directors**

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

## **C. Remuneration to Key Managerial Personnel and Senior Management**

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive any, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

## **IMPLEMENTATION**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate. The Committee may Delegate any of its powers to one or more members.

\*\*\*\*\*