

## PARANJAPE SCHEMES (CONSTRUCTION) LIMITED

### 1. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTOR'S INDEPENDENCE

#### ❖ Introduction

- Paranjape Schemes (Construction) Limited believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, Company ensures constitution of a Board of Directors with an appropriate composition, size, expertise, experience and commitment to discharge their responsibilities and duties effectively.
- Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. It aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

#### ❖ Constitution of the Nomination and Remuneration Committee

The board had constituted Nomination and Remuneration Committee of the Board This is in line with the requirements under the Companies Act, 2013 ('the Act'). The Board reconstituted this committee with effect from 29<sup>th</sup> May, 2017. Accordingly, this committee consists of following Directors:

Sr. No.	Name of the Member	Particulars
1	§Mr. Subodh Shah	Chairman
2	*Mr. Arun Phansalkar	Member
3	#Mrs. Pratibha Deshpande	Member

#### ❖ Scope and Exclusion:

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

#### ❖ Terms and References:

In this Policy, the following terms shall have the following meanings:

- **"Director"** means a director appointed to the Board of a company.
- **"Nomination and Remuneration Committee"** means the committee constituted by Company's Board in accordance with the provisions of Section 178 of the Act.
- **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Act.

- **“The Board”** means Board of Directors of the Company.
- **“The Company”**Paranjape Schemes (Construction) Limited .

❖ **Policy:**

➤ **Qualifications and criteria**

- ❖ The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s global operations.
- ❖ In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:
  - General understanding of the Company’s business dynamics, business and social perspective;
  - Educational and professional background;
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- ❖ The proposed appointee shall also fulfill the following requirements:
  - Shall possess a Director Identification Number;
  - Shall not be disqualified under the Act;
  - Shall give his written consent to act as a Director;
  - Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
  - Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
  - Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
  - Such other requirements as may be prescribed, from time to time, under the Act, and other relevant laws.
- ❖ The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company’s business.

➤ **Criteria of Independence**

- ❖ The NR Committee shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- ❖ The criteria of independence will be as required by the Companies Act, 2013

- ❖ The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Act.

➤ **Other directorships / committee memberships**

- ❖ The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director’s service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- ❖ A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- ❖ A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- ❖ A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.
- ❖ For the purpose of considering the limit of the Committees, Audit Committee and Stakeholder’s Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act shall be excluded.

## **2. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

➤ **Introduction**

- ❖ Paranjape Schemes (Construction) Limited(Company) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
  - Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
  - Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
  - Ensuring that remuneration involves a balance between fixed and incentive pays reflecting short and long term performance objectives appropriate to the working of the company and its goals.

➤ **Scope and Exclusion:**

- ❖ This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

➤ **Terms and References:**

In this Policy, the following terms shall have the following meanings:

- ❖ **“Director”** means a director appointed to the Board of the Company.
- ❖ **“Key Managerial Personnel”** means
  - the Chief Executive Officer or the managing director or the manager;
  - the company secretary;
  - the whole-time director;
  - the Chief Financial Officer; and
- ❖ **“Nomination and Remuneration Committee”** means the committee constituted by Paranjape Schemes (Construction) Limited’s Board in accordance with the provisions of Section 178 of the Act.

➤ **Policy:**

❖ **Remuneration to Executive Directors and Key Managerial Personnel**

- The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- The remuneration structure to the Executive Directors and Key Managerial Personnel shall be decided by the Committee considering various criteria including tax which may include the following components:
  - Basic Pay;
  - Perquisites and Allowances;
  - Stock Options;
  - Commission (Applicable in case of Executive Directors);
  - Retiral benefits;
  - Annual Performance Bonus.
- The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

❖ **Remuneration to Non-Executive Directors**

- The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

- Committee may recommend payment of sitting fees to Non-Executive Directors for attending the meetings of the Board and the Committees thereof.
- Committee may also recommend payment of commission on profits/turnover to Non-Executive Directors.

#### ❖ **Remuneration to other employees**

- Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

#### ➤ **Policy Review**

- The policy is framed based on the provisions of Act and Rules there under.
- In case of any subsequent changes in the provisions of Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy, and the provisions in the policy would be modified in due course to make it consistent with the law.
- This policy shall be reviewed by the Nomination and Remuneration Committee as and when changes need to be incorporated in the policy due to changes in the regulations or as may be felt appropriate by the Committee. Any change or modification in the policy as recommended by the committee would be given for approval to the Board.