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NOMINATION AND REMUNERATION POLICY

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PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, The Company through its Board of Directors shall constitute the nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent.

*The Chairman of the committee shall be an independent director. Provided that the chairperson of the company (whether executive or non executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee

The Company already constituted Remuneration Committee comprising of three non-executive Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 14th February, 2015, constituted Nomination and Remuneration Committee” which having three non-executive Directors, out of which two are Independent.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

OBJECTIVES OF THE COMMITTEE:

The Committee shall:

- ✚ Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ✚ Formulation of criteria for evaluation of Independent Director and the Board.
- ✚ Devising a policy on Board diversity.
- ✚ To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- ✚ Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- ✚ Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

DEFINITIONS

- ✚ **“Board”** means Board of Directors of the Company.
- ✚ **“Company”** means “SURYAKRUPA FINANCE LIMITED.”
- ✚ **“Employees’ Stock Option”** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such

directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

- ✚ **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- ✚ **“Key Managerial Personnel”** (KMP) means
 - Chief Executive Officer or the Managing Director or the Manager,
 - Company Secretary,
 - Whole-time Director,
 - Chief Financial Officer and
 - Such other officer as may be prescribed.
- ✚ **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, as amended time to time.
- ✚ **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- ✚ **“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.
- ✚ **“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

APPLICABILITY

The Policy is applicable to

- ✚ Directors (Executive and Non Executive)
- ✚ Key Managerial Personnel
- ✚ Senior Management Personnel

GUIDING PRINCIPLES

The Policy ensures that

- ✚ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ✚ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ✚ Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- ✚ To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- ✚ Formulate criteria for evaluation of Independent Directors and the Board.
- ✚ 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 every 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.
- ✚ Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ✚ To devise a policy on Board diversity.
- ✚ 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.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

- ✚ The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- ✚ Chairman of the committee shall be an independent director.
- ✚ The chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- ✚ In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- ✚ The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- ✚ Minimum two (2) members shall constitute a quorum for the Committee meeting.
- ✚ Membership of the Committee shall be disclosed in the Annual Report.
- ✚ Term of the Committee shall be continued unless terminated by the Board of Directors.
- ✚ The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

- ✚ A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ✚ The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

APPOINTMENT AND REMOVAL CRITERIA:

- ✚ **Appointment Criteria and qualifications:**
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- a. 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 to the Board his / her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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 based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term/Tenure

- a) **Managing Director/Whole-time Director/Manager (Managerial Person):**
 - The Company shall appoint or re-appoint any person as its Managerial Person 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.
- b) **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.
 - No Independent Director shall hold office for more than two consecutive terms, 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- 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.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

REMUNERATION TO INDEPENDENT DIRECTOR/ NON-EXECUTIVE

- The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- An Independent Director shall not be entitled to any stock option of the Company.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

The Board of Directors may amend this Policy in extraordinary circumstances, when deemed necessary in the interest of the Company.