

**SABARMATI RIVERFRONT  
DEVELOPMENT CORPORATION LIMITED  
(SRFDCL)**

(A SPV of Ahmedabad Municipal Corporation)  
(CIN U73100GJ1997PLC032419)



**NOMINATION AND  
REMUNERATION POLICY OF  
DIRECTORS,  
KEY MANAGERIAL PERSONNEL  
AND OTHER SENIOR  
MANAGEMENT**



**NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KMP & OTHER  
SENIOR MANAGEMENT  
(POLICY ON APPOINTMENT AND REMUNERATION)**

*[Pursuant to Section 178 (3) of the Companies Act, 2013]*

**(A) INTRODUCTION**

Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, the "Nomination and Remuneration Committee" shall be constituted by:-

**1. Every Listed Company**

**2. Every Unlisted public Company**

a. Having Turnover of Rs. 100 Crores or More

**b. With Paid-Up Capital of Rs. 10 Crores**

c. Having in aggregate, outstanding loans or borrowings or debentures or deposits of Rs. 50 Crores.

In order to align with the provisions of the Companies Act, 2013 and applicable rules thereto, Sabarmati River Front Development Corporation Limited ('the Company') has adopted this Policy drafted by the Nomination and Remuneration Committee, upon the recommendation of the Board and the said Policy is in compliance with the requirements of Section 178 of the Companies Act, 2013 and rules thereunder ('the Act').

**(B) OBJECTIVES, SCOPE & APPLICABILITY OF THE POLICY &  
DUTIES OF THE COMMITTEE**

The Objective of this policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management personnel.

The **Key Objectives** of the policy would be:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;



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2. To formulate 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;
3. Formulation of criteria for evaluation of Independent Director and the Board;
4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management involving fixed pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.;
6. To ensure the level of composition of remuneration is reasonable and sufficient to attract, retain and motivate the KMP and senior management of the quality required to run the company successfully.
7. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations and to ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
8. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
9. To devise a policy on Board diversity;
10. To develop a succession plan for the Board and to regularly review the plan.

### **Scope and Applicability:**

The policy shall apply to

1. Directors (Executive, Non-Executive and Independent);
2. Key Managerial person;
3. Senior management personnel.

The **Duties of the Committee** would be:

1. To recommend to the Board the appointment/extension and removal of Directors, Key Managerial Personnel and Senior Management.



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2. To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
3. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
4. To determine that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
5. To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board the Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
6. Ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
7. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
9. 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.
10. To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel and Senior Management personnel.
11. To recommend to the Board the appointment, removal, extension and the remuneration payable to a relative of a Director.
12. To assist the Board in fulfilling its responsibilities.

To perform such other functions as may be necessary or appropriate for the performance of its duties.



## **(C) DEFINITIONS**

1. "Board" means Board of Directors of the Company.
2. "Company" means **SABARMATI RIVER FRONT DEVELOPMENT CORPORATION LIMITED.**
3. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
4. "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.
5. "Committee" means Nomination and Remuneration Committee.
6. "Director" means Directors on the Board of Directors of the Company.
7. "Policy" means Nomination and Remuneration Policy as amended from time to time.
8. "Key Managerial Personnel" means:
  - i. Managing Director or Chief Executive Officer or Manager
  - ii. Whole-time Director;
  - iii. Chief Financial Officer;
  - iv. Company Secretary; and
  - v. Such other officer as may be prescribed.
9. "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.
10. "Executive Director" means a Director who is in the whole time employment of the Company and includes Managing Director and Whole time Director.
11. "Non-Executive Director" means a Director who is not in the whole time employment of the Company and includes an Independent Director.



*Interpretation: The terms that have not been defined in this policy shall have the same meaning as assigned to them in the Companies Act, 2013, and rules framed thereto as amended from time to time.*

## **(D) COMPOSITION OF THE COMMITTEE AND ITS GOVERNANCE**

The Nomination and Remuneration Committee comprise of a Minimum 3 (three) Non-Executive Directors and 50% of which Directors shall be Independent Directors. The Chairperson / Chairman of the Committee shall be Independent Director.

The Board has the power to reconstitute the Committee to keep it consistent and in alignment with the Company's policy and applicable statutory requirement. Constitution / Re-constitution of the Committee shall be disclosed in the Annual Report.

### **FREQUENCY OF MEETING:**

The meeting of the Committee shall be held as and when its need arises.

### **QUORUM:**

Minimum two (2) Directors will constitute a quorum for the Committee Meeting.

### **MINUTES OF THE COMMITTEE MEETING:**

Proceedings of all meetings must be recorded as minutes of meeting and 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 as well as Committee Meeting.

## **(E) POLICY**

This Policy is divided into two parts:

**Part A:** Part A deals with the appointment and removal of the Directors, Key Managerial Personnel and Senior Management.

**Part B:** Part B deals with the remuneration of the Directors, Key Managerial Personnel and Senior Management.



This Policy shall be included in the Board's Report.

**PART A: APPOINTMENT AND REMOVAL OF THE DIRECTORS, KEY  
MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

**1. Selection of Directors, Key Managerial Personnel and Senior Management**

**(a) Appointment of Directors:**

SRFDCL was incorporated in May, 1997 and the Promoters and Directors were appointed by the virtue of post as follows:

<b>Sr. No.</b>	<b>Designation</b>	<b>Appointment</b>
1.	Chairman (Whole-time Director)	By Government of Gujarat
2.	Managing Director	Municipal Commissioner, AMC
3.	Executive Director	Deputy Municipal Commissioner, AMC
4.	Independent Director*	Through Board of Directors recommendations.
5.	Independent Director*	Through Board of Directors recommendations.
6.	Non-Executive Director	Mayor, Ahmedabad
7.	Non-Executive Director	Standing Committee Chairman, AMC
8.	Non-Executive Director	Leader of Opposition, AMC
9.	Non-Executive Director	Deputy Municipal Commissioner (Finance), AMC
10.	Non-Executive Director	Collector, Ahmedabad

\* Appointment of an Independent Director:

- An Independent Director shall hold office for a term up to five (5) 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 (2) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three (3) 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.

**(b) Appointment of Key Managerial Personnel:**

**I. Managing Director:**

As SRFDCL is formed by the Directors appointed by the virtue of post, The Municipal Commissioner, AMC is appointed as the Managing Director.

**II. Chief Financial Officer and Company Secretary:**

The recruitment will be done mainly on the basis of an advertisement. It will be open to follow this by subsequent attempts made by interviews / walk-in-interviews. Also, The Board of Directors may recommend the suitable person for appointment of CFO and CS (a mandatory position as per Companies Act, 2013) on contractual basis.

**(c) Appointment of Senior Management:**

Generally, the appointment of Senior Management is being deputed from AMC / GOG / Other Authority. If the management requires to hire positions of Senior Management, the company would fill such positions from the open market through advertisement and standard procedure of recruitment as per the policy of the company on contractual basis. Also the tenure, terms of Appointment for deputed officials are decided by the respective authority (AMC / GOG / Other Authority) and for contractual employment, the management will decide the tenure and other terms of appointment.

**The appointments in Point No. E, Part : A (1) from (a) to (c) mentioned above would be ratified in the Nomination & Remuneration Committee and further by the Board of Directors in Board Meeting.**

**2. Evaluation of the Management and Non- Independent Directors:**

The Independent Directors of SRFDCL shall carry out evaluation of performance of the Management and Non-Independent Directors once in a year in the Independent Directors Meeting.





### **3. Removal**

Due to reasons for any disqualification/misconduct/fraud mentioned in the Act or under any other applicable Act and any rules there under, the Nomination and Remuneration Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, and any rules, if any, made there under.

## **PART B: REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

### **REMUNERATION POLICY**

In accordance with the provisions of section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, which is approved and adopted by the Board.

### **COMPLIANCE WITH APPLICABLE LAWS**

The procedure and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Companies Act, 2013 read with rules framed there under (b) Articles of Association of the Company and (c) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR policy of the Company, if any.

### **REMUNERATION TO NON-EXECUTIVE DIRECTORS**

The company's structure of Board is comprised by the virtue of post and most of all the members of Board are deputed by the AMC / GOG / Other Authority. Hence, the Directors of SRFDCL are not paid any Sitting fees under the Companies Act, 2013 and rules framed there under for attending meeting of the Board and Committees thereof.

### **REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

#### **KEY MANAGERIAL PERSONNEL:**

Remuneration to Key Managerial Personnel for Deputed Officials:



**i. Chairman**

The remuneration of the Chairman would be decided by the Government of India and in addition to that, the increment and other perquisites would be applicable as per the HR Policy of the company (adopted and amended by the Board from time to time).

**ii. Managing Director**

The remuneration of the Chairman would be decided by the respective authority (AMC / GOG / Other Authority).

**iii. Chief Financial Officer, Company Secretary and other Officials**

The remuneration of Chief Financial Officer, Company Secretary and other Key Managerial Personnel (other than Chairman and M.D.) involves fixed pay and perquisites / increments as per the HR Policy of the Company (adopted and amended by the Board from time to time) reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**SENIOR MANAGEMENT:**

Generally, the appointment of Senior Management is being deputed from AMC / GOG / Other Authority. Hence, the remuneration of the Deputed officials are decided by the respective authority (AMC / GOG / Other Authority). Also, the remuneration of Senior Management (Contractual basis) involves fixed pay and perquisites as per the HR Policy of the Company (adopted and amended by the Board from time to time) reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**REMUNERATION TO OTHER EMPLOYEES**

The remuneration of the other employees would be decided as per the HR Policy of the Company (adopted and amended by the Board from time to time) and as per the statutory compliances as may be applicable from time to time.

**(F) REVIEW AND AMENDMENTS**

1. The Committee or the Board may review the policy as and when it deems necessary.



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2. The Board of Directors or the Committee shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with new provisions or replace this Policy entirely with a new Policy.

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