

**JOYVILLE SHAPOORJI HOUSING PRIVATE LIMITED**  
(formerly known as 'Drashti Developers Private Limited')

**NOMINATION AND REMUNERATION COMMITTEE & ITS POLICY**

## **NOMINATION AND REMUNERATION POLICY**

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Section 178 of the Companies Act, 2013 (“the Act”) read with the relevant rules framed thereunder requires every Listed Company to constitute a Nomination and Remuneration Committee (hereinafter referred to as “NRC”) which 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 for the directors, key managerial personnel (“KMPs”) and other employees.

This policy on nomination and remuneration of Directors, KMPs and Senior Management formulated by the NRC has been approved by the Board of Directors of Joyville Shapoorji Housing Private Limited (“the Company”).

### **1. OBJECTIVE:**

The key objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, KMPs and other Senior Management;
- ii. To evaluate the performance of the members of the Board and provide necessary report(s) to the Board for further evaluation, by the Board;
- iii. To recommend to the Board remuneration payable to the Directors, KMPs and Senior Management;
- iv. To formulate a policy on Board diversity.

The NRC and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules framed thereunder.

### **2. POLICY FOR APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTORS, KMPs AND SENIOR MANAGEMENT:**

#### **i) Appointment criteria and qualifications:**

- The person should possess adequate qualification, expertise and experience for the position for which he / she is considered. The Committee shall have discretion to decide whether qualification(s), expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs or at Senior Management level and recommend to the Board his / her appointment.

#### **ii) Age Limit:**

- The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director or Manager who is below the age of Twenty One

years or 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 justification for extension of appointment beyond seventy years;

- However, there is no such limit for the appointment of Senior management, KMPs and Directors (other than Whole-time Director or Managing Director or Manager).

**iii) Terms of appointment:**

**a) *Managing Director / Whole-time Director:***

- The Company shall appoint or re-appoint any person as its Managing Director / Whole-time Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of the said term.

**b) *Independent Director:***

- Any person, in order to become an Independent Director must adhere to the terms of qualification as stated under section 149(6) of the Companies Act, 2013 read with relevant rules framed thereunder and all other applicable provisions, if any;
- An Independent Director shall hold office for such period as may be determined by the Board of Directors of the Company, in accordance with the provisions of the Companies Act, 2013, SEBI Regulations and Charter documents of the Company;

**c) *Other Directors / KMPs / Senior Management:***

- Terms of appointment of Directors, KMPs and Senior Management, other than Managing Director / Whole-time Director and Independent Directors, shall be in accordance with the provisions of the Companies Act, 2013 and Charter documents of the Company.

**iv) Removal:**

In the event, a Director falls under any ground of disqualification or vacation mentioned in the Companies Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act read with the relevant rules and applicable regulations.

**v) Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and in terms of their, terms of appointment / the prevailing policy of the Company. The Board will have the discretion to retain a Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining

the retirement age, for the benefit of the Company subject to the approval of shareholders of the Company if required under the Act.

**3. POLICY FOR REMUNERATION TO DIRECTORS / KMPs / SENIOR MANAGEMENT PERSONNEL**

**i) Remuneration to Managing Director / Whole-time Director:**

- a) The Remuneration, Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed by the provisions of the Companies Act, 2013 read with relevant rules made there under or any other enactment for the time being in force and approval(s) obtained from the members of the Company, wherever required;
- b) The NRC shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration payable to the Managing Director / Whole-time Director(s).

**ii) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the Companies Act, 2013. The amount of sitting fees shall be such as recommended by the NRC and decided by the Board of Directors;
- b) An Independent Director shall not be eligible to get Stock Options, if any and also shall not be eligible to participate in any share based payment schemes of the Company.

**iii) Remuneration to KMPs and Senior Management:**

- a) The remuneration to KMPs and Senior Management shall consist of fixed pay and incentive pay, 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 KMPs and Senior Management, which shall be decided annually or at such intervals as considered appropriate.

**4. EVALUATION:**

- i This Performance Evaluation Policy (“**the Policy**”) is for Joyville Shapoorji Housing Private Limited (“**the Company**”) for undertaking evaluation of every director's performance.
- ii Section 178 of the Companies Act, 2013 requires the NRC to carry out evaluation of every Director, Key Managerial Personnel and senior management.
- iii NRC shall formulate the criteria for determining qualifications, positive attributes and independence of the director, and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- iv NRC shall, while formulating the policy, ensure that—

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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:
  - a. Further under Clause VIII of Schedule IV of the Companies Act, 2013 duty has been cast on the Board to evaluate performance of independent directors. Accordingly, a report of performance evaluation of each independent director shall be prepared, which would determine whether or not to extend or continue the term of appointment of the concerned independent director.
- v This Board evaluation process aims to ensure that the individual independent directors and the Board of Directors of the Company work efficiently as a whole and effectively fulfill the Company's objectives. The Policy aims at establishing a procedure for the Board to conduct evaluation of its performance and individual directors.

## **5. RESPONSIBILITY:**

It shall be duty of NRC to evaluate the performance of every other director (whether independent or otherwise) and the Board as a whole. The Independent directors shall hold at least one meeting in a year to review the performance of non-independent directors, Chairperson, if any and the Board as a whole.

## **6. FACTORS FOR EVALUATION:**

The Board shall take into account the following parameters to be factored on each criteria as mentioned below.

<b>Performance</b>	<b>Rating</b>
Needs improvement	1
Satisfactory	2
Good	3

## **7. EVALUATION CRITERIA**

### **Independent Directors**

<b>Sr. No</b>	<b>Evaluation Factor</b>	<b>Rating</b>	<b>Remarks/Comments</b>
1.	Attendance in the Meetings of the Board and its Committees, wherever necessary		
2.	Timely inputs on the minutes of meetings		
3.	Adherence to the ethical standards and code of conduct of the Company		
4.	Disclosure of interest /non-independence, whenever it exists		

5.	Asking for elaborative inputs on the subject		
6.	Raising valid concerns to the Board through constructive contribution		
7.	Interpersonal relations with other members of the Board and management		
8.	Understanding the Company and industry in which it operates		
9.	Assisting the Company in implementing best corporate governance practices		

#### **Non-Independent Directors / MD / other WTDs**

<b>Sr. No</b>	<b>Evaluation Factor</b>	<b>Rating</b>	<b>Remarks/Comments</b>
1.	Attendance in the Meetings of the Board and its Committees, wherever necessary		
2.	Timely inputs on the minutes of meetings		
3.	Adherence to the ethical standards and code of conduct of the Company		
4.	Disclosure of interest /non-independence, whenever it exists		
5.	Leadership and team work attributes		
6.	Contribution towards growth of the Company		
7.	Compliance with polices, reporting of frauds, violations, etc. or any suspicion thereof		
8.	Safeguarding interest of whistle blowers		
9.	Regularly updates and refreshes skills, knowledge about the external environment and familiarity with the company		

#### **Board of Directors**

<b>Sr. No</b>	<b>Evaluation Factor</b>	<b>Rating</b>	<b>Remarks/Comments</b>
1.	Is composition of the Board is appropriate with the right mix of expertise and skills?		
2.	The Company has necessary and adequate Committees for the effective functioning and proper reports are given to the Board		
3.	Independence requirements are properly adhered to		
4.	Effectiveness in developing a corporate governance structure		
5.	There is an effective internal control system for		

	identifying and reporting risk, violation of policies and legal compliances		
6.	The Board receives regular financial updates as and when required		
7.	Are sufficient number of Board meetings held?		
8.	Are Board meetings conducted so effectively that encourages open discussions, meaningful participation and timely resolution of issues?		
9.	The Chairperson of the Board conducts meetings effectively		

## **8. FORM OF PERFORMANCE EVALUATION**

The model performance evaluation form with the above stated criteria detailed in **Annexure 1** will be distributed to the directors on an annual basis, who shall evaluate the performance of the individual director(s), KMPs and the Board.

## **9. RATINGS**

Based on the above criteria, the Board has to be evaluated by giving ratings as stated above from lower to higher order as deemed appropriate. The total number of ratings awarded shall be averaged over the number of persons who have given ratings.

The Board may authorise the Company Secretary / any person to provide assistance to the directors who shall report to the Board for this purpose.

## **10. REVIEW**

The performance evaluation process and criteria shall be reviewed by the NRC as and when it deems fit and may take external advice, if required.

## **11. DISCLOSURE**

The process of performance evaluation along with key features of this policy shall be disclosed in the Board's report.

## **12. POLICY REVIEW / AMENDMENT**

This policy shall remain in force unless modified by the NRC.

**Annexure I**

**MODEL PERFORMANCE EVALUATION FORM OF ALL DIRECTORS**

<b>Sr. No</b>	<b>Evaluation Factor</b>	<b>Rating</b>	<b>Remarks/Comments</b>
<b>A. Evaluation Criteria For Independent Directors</b>			
1.	Attendance at the Meetings of the Board and its Committees.		
2.	Inputs on the minutes of meetings		
3.	Adherence to the ethical standards and code of conduct of the Company		
4.	(i) Timely disclosure of interest (ii) Conflict of interest		
5.	Participation at the Board Meetings		
6.	Quality of participation		
7.	Co-ordination with other members of the Board and management		
8.	Knowledge of the Company's business and industry in which it operates		
9.	Contribution to formulating and implementing best corporate governance practices		
10.	<b>Total A</b>		
<b>B. Evaluation Criteria for Non-Independent Directors/MD/other WTD</b>			
1	Attendance at the Meetings of the Board and its Committees		
2	Inputs on the minutes of meetings		
3	Adherence to the ethical standards and various codes of conduct		
4	Timely disclosure of interest and conflict of interest		
5	Visionary attributes		
6	Leadership and team work attributes		
7	Contribution towards growth of the Company		
8	Compliance with polices, reporting of frauds, violations, etc. or any suspicion thereof		
9	Safeguarding interest of whistle blowers		
10	Regularly updates and refreshes skills, knowledge about the external environment and		



	familiarity with the company		
	<b>Total B</b>		
<b>C. Evaluation Criteria for Board of Directors</b>			
1	Is composition of the Board is appropriate with the right mix of expertise and skills?		
2	Has the Company necessary and adequate Committees for the effective functioning and are proper reports given to the Board?		
3	Whether independence requirements are properly adhered to?		
4	Effectiveness in developing a corporate governance structure		
5	Is there an effective internal control system for identifying and reporting risk, violation of policies and legal compliances?		
6	Does the Board receive regular financial updates as and when required?		
7	Are sufficient number of Board meetings held?		
8	Are Board meetings conducted so that open discussions, meaningful participation and timely resolution of issues are encouraged?		
9	Does the Chairman of the Board conduct meetings effectively?		
	<b>Total C</b>		
<b>D. Evaluation Criteria For KMPs</b>			
1	Attendance at the Meetings of the Board and its Committees.		
2	Adherence to the ethical standards and code of conduct of the Company		
3	i. Timely disclosure of interest ii. Conflict of interest		
4	Participation at the Board Meetings		
5	Quality of participation		
6	Co-ordination with other members of the Board and management		
7	Knowledge of the Company's business and industry in which it operates		
8	Contribution to formulating and implementing best corporate governance practices		
9	Leadership and team work attributes		
10	Compliance with polices, reporting of frauds, violations, etc. or any suspicion thereof		

11	Regularly updates and refreshes skills, knowledge about the external environment and familiarity with the company		
12	Safeguarding interest of whistle blowers		
13	Compliance with Companies Act and applicable laws of the Company		
	<b>Total D</b>		
	<b>Total (A+B+C+D)</b>		

\*1 - Needs improvement; 2 – Satisfactory; 3 - Good

**Date :**

**Place :**