

ATV PROJECTS INDIA LIMITED

**POLICY FOR REMUNERATION OF THE
DIRECTORS, KEY MANAGERIAL PERSONNEL
AND OTHER EMPLOYEES**

Regd. Office:

**1201, Windfall Bldg, Sahar Plaza Complex
Andheri Kurla Road, Andheri (E), Mumbai - 400059.**

CIN: L99999MH1987PLC042719

ATV PROJECTS INDIA LIMITED

POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. LEGAL FRAMEWORK

This Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015 (Clause 49 of the Listing Agreement), as amended from time to time. This Policy for Remuneration of The Directors, Key Managerial Personnel and Other Employees has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, KMP 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.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee/Board should ensure 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 and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. DEFINITIONS

'Act' means the Companies Act, 2013;

'Board' means the Board of Directors of ATV Projects India Limited;

'Committee' means the Nomination and Remuneration committee of the Company, constituted and re-constituted by the Board from time to time;

'Company' means ATV Projects India Limited;

'Directors' means the directors of the Company;

'Independent Director' means a director referred to in Section 149(6) of the Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended from time to time.

'Key Managerial Personnel' (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

'Nomination and Remuneration Committee', by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

'Other employees' means all the employees other than the Directors, KMPs and the Senior Management Personnel.

'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 functional heads as defined in the Companies Act, 2013.

Words and expressions used and not defined in this Policy, but defined in the Companies Act, 2013 or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

3.1 Appointment Criteria /Qualification & Positive Attributes:

➤ **Criteria for appointment of KMP/Senior Management:**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

➤ **Qualifications for appointment of Directors (including Independent Directors):**

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.

- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made there under and Clause 49 of Listing Agreement. The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.
- **Positive attributes of Directors (including Independent Directors):**
 - Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
 - Actively update their knowledge and skills with the latest developments in the market conditions and applicable legal provisions.
 - Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
 - To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
 - Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
 - To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (LODR) Regulations, 2015 as amended from time to time.

3.2 Term:

The Term of the Directors including ED/NED/WTD/Independent Director shall be governed as per the provisions of the Companies Act, 2013 and Rules made there under and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended from time to time.

3.3 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.

Framework for performance evaluation of Independent Directors and the Board is as per **Annexure A** to this Policy.

3.4 Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

3.5 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.

4. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

4.1 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.

4.2 Remuneration to Non- Executive / Independent Directors:

a) The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Act.

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) 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.

4.3 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 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 Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

5. RESPONSIBILITY AND REVIEW OF THE POLICY

This policy shall be reviewed by the Committee and the Committee shall recommend appropriate changes to the Board, as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee.

In the circumstance any amendments are made in the provisions of the Companies Act, 2013 or Listing Regulation[s], which prescribe any provisions in this policy inconsistent with the Act or regulations, then the provisions of the respective Act or regulation[s] shall prevail over this policy and the provisions in the policy shall be modified at an appropriate time.

Framework for performance evaluation of Independent Directors and the Board

As per the provisions of Clause 49, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Clause 49, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assess the performance of the Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct an evaluation performance process and a self-evaluation process. It is the responsibility of the Chairman of the Board and/or Company Secretary of the Company, to organise the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
 - Knowledge to perform the role;
 - Time and level of participation;
 - Performance of duties and level of oversight; and
 - Professional conduct and independence.
3. The Board /Independent Directors shall be asked to complete the evaluation forms and submit the same to the chairman.

The performance evaluation of Independent Directors shall be done by the entire Board of Director excluding the director being evaluated.

The performance evaluation of non-Independent Directors and the board as a whole shall be done by the Independent Directors.

The performance evaluation of the Chairman of the Company (taking into account the view of executive directors and non-executive directors) shall be done by the Independent Directors.

The performance evaluation of the Committee shall be done by the Chairman of the Committee.

4. In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Performance Evaluation of Directors/Board/Committees:

Background:

SEBI (LODR) Regulations, 2015/ Clause 49 of the Listing Agreement entered into by the Company with the BSE Limited ("BSE")/ National Stock Exchange of India Limited ("NSE") requires the Nomination and Remuneration Committee of the Board to lay down evaluation criteria for performance evaluation of Directors/ Board/ Committee.

Annual Evaluation Sheet for the Directors (with designation) /Board/ Committee:

RATING CRITERIA:

- 1- Does not meet evaluation parameter
- 2- Meets evaluation parameter
- 3- Exceeds evaluation parameter
- N/a- Not Applicable

Criteria of Evaluation	Rating				Comments
	1	2	3	N/a	
I. Knowledge to perform the role					
1. Demonstrates knowledge of the sector in which the company operates					
2. Has knowledge and familiarity with the business of the Company, its subsidiaries, plants etc.					
3. Has an understanding of the key risks facing the Company					
4. Has kept himself / herself abreast through Familiarisation Programme / module					

<p>5. Has an understanding of the key policies of the Company</p> <p>6. Is aware of key information furnished by the Company to the Stock exchange</p>						
<p>II. Time and Level of Participation</p>						
<p>1. Has attended meetings of the Board or Board committees where he is a member</p> <p>2. Has attended general meetings of the Company including the Annual General Meeting</p> <p>3. Has participated as part of the Board / Committee meeting on performance of the Company v/s Budgets</p> <p>4. Has participated at Audit Committee meetings and discussed with Internal Auditors to understand various concerns</p> <p>5. Has participated at Audit Committee meetings and discussed with Statutory Auditors to understand various concerns</p> <p>6. Has participated at Board Meetings to understand litigations, etc.</p> <p>7. Have had discussions with the management at various meetings to understand the following:</p> <ul style="list-style-type: none"> - Key performance drivers and reason for key variations in financial numbers compared to prior quarters. - Key areas of judgment and estimates - Key accounting positions taken by the Company which have a bearing on the financial performance - Understanding if any expert assistance is needed in any of the areas - Adequacy of internal controls on financial reporting <p>8. Does not unfairly obstruct the functioning of the Board or Committee of the Board where he is a member.</p>						

III. Performance of Duties and Level of Oversight					
<ol style="list-style-type: none"> 1. Has reviewed levels of remunerations and terms of appointment of executive directors, key management personnel and senior management. 2. Has reviewed levels of remunerations and terms of appointment of statutory auditors, including independence compliance of non-audit services rendered by the statutory auditors. 3. Has ensured that concerns raised are addressed by the Board. If significant concerns are not addressed, ensures that these are minuted in the minutes of the Board meeting. 4. Has reviewed the Related Party transactions and ensured that they are in the interest of the Company. 5. Has participated constructively and objectively in all meetings of the Board or committee of the Board where he is a member. 6. Has evaluated all significant complaints and whistle blower information received by the Company. 7. Has ensured that the money spent on CSR has been as per the CSR policy approved by the CSR committee. 8. Has reviews the Annual Report, especially the MD&A. 					
IV. Professional Conduct And Independence					
<ol style="list-style-type: none"> 1. Has complied with the Code of Ethics of the Company 2. Has complied with the Insider Trading Policy of the Company 3. Has maintained confidentiality of all information obtained in the capacity of an Independent Director 4. Has provided timely declaration to the Company as required by section 149 (6) and 149 (7) of Companies Act 2013 					

5. Has intimated the Company immediately if there are any issues relating to Independence					
6. Has not abused his position for gaining any personal benefit either for himself or any person related					
7. Has no litigation pending relating to issues of integrity					