

# **ANSAL PROPERTIES & INFRASTRUCTURE LIMITED**

## **POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES [AMENDING POLICY DATED 12<sup>TH</sup> AUGUST, 2021]**



**BACKGROUND**

Ansal Properties & Infrastructure Limited {including its subsidiaries, affiliates, associate(s), joint venture(s), group company (ies)} (hereinafter referred as the 'Company' ) believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and in complete compliance of laws, as amended from time to time.

**BRIEF OVERVIEW UNDER COMPANIES ACT 2013 {Act}**

{Section 178 & Companies [Meetings of Board and its Powers] Rules, 2014}

- Constituting the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- The Nomination and Remuneration 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 for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy 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;



- ✓ 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.
- Such policy shall be placed on the website of the company and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

**BRIEF OVERVIEW UNDER SECURITIES EXCHANGE BOARD OF INDIA  
{LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS}  
REGULATIONS, 2015 AS AMENDED {SEBI REGULATIONS}**

**Nomination and Remuneration Committee**

- (1)The Board of Directors shall constitute the nomination and remuneration committee as follows: (a) the committee shall comprise of atleast three directors; (b) all directors of the committee shall be non-executive directors; and (c) atleast two thirds of the directors shall be independent directors.
- (2)The Chairperson of the nomination and remuneration committee shall be an independent director provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
- (3) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- (4)The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.
- (5) The nomination and remuneration committee shall meet at least

once in a year.

(6) The role of the nomination and remuneration committee shall be as specified as in Part D of the Schedule II of the Act which covers:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: (a) use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria/skills laid down, and recommend to the Board their appointment and removal and how the candidate fits into skill set.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- Recommend to the board, all remuneration, in whatever form, payable to senior management
- The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### **PRESENT POSITION OF DIRECTORS & KMP OF THE COMPANY**

- There exists a Nomination and Remuneration Committee of the Board of Directors {Board}.



- At present there are total five directors of the Board of Directors of the Company {Board} out of which there are 3 (three) Non-Executive Directors who are also independent and the remaining 2(two) are Executive Directors.
- There exist Key Managerial Personnel {KMP} consisting of Whole Time Directors, who are all executive directors and, Chief Financial Officer and Company Secretary who are employees.

### **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

- Formulate the criteria for determining qualifications, skills, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria and carry out evaluation of performance of Independent directors, other directors and the Board.
- Decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- Devising policy on Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Managing Director and Whole Time Directors on an annual basis as well on their re-appointment, wherever applicable.
- Recommend to the Board, the Sitting Fee (including any change) payable to the Non-Executive Directors for attending the meetings of the Board / Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- The Company shall disclose the Remuneration Policy and the evaluation criteria on its website and in its Annual Report



**CRITERIA FOR DETERMINING THE FOLLOWING:-****Qualifications for appointment of Directors {including Independent Directors}:-**

- No specific qualification/s for Directors.
- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their real estate/ allied industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- The name of independent director should be included in the Databank of Independent Directors in pursuance to the provision of Rule 6 of Companies (Appointment and Qualification of Directors) Rule, 2014.
- Every individual whose name is included in the databank shall pass an Online Proficiency Self-Assessment test conducted by IICA within a period of two years from the date of inclusion of his name in the databank (except wherever exempted), failing which, his name shall stand removed from this databank.
- Applicable provisions of Companies Act 2013, its Rules and SEBI Regulations.

The above qualifications, {other than the statutory requirements which are mandatory}, are preferable and desirable with absolute discretion to the Nomination and Remuneration Committee to consider and keep in view 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.
- They are to actively refresh their knowledge and skill with the latest developments in the real estate industry, market conditions and applicable legal provisions.
- They are to show willingness to devote sufficient time and attention for the Company and its business and execute their responsibilities.
- They are to assist in bringing independent judgments to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.



- They are able 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.
- They are to act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

**Conditions of Independence of Directors:-**

- In compliance of terms of the Companies Act 2013 and its Rules {Section 149 – Schedule IV- Code for Independent Directors & Companies [Appointment and Qualification of Directors] Rules 2014 } and SEBI Regulations, as amended from time to time.

**Criteria for appointment in Senior Management including KMP:-**

- Their required qualifications, experience, skills & expertise to effectively meet their areas of work, duties and responsibilities.
- Their real estate/ allied industry experience.
- Their ability to assume the responsibilities and duties of their posts effectually.
- Appropriate other qualification/experience to meet the objectives of the Company.

**TENURE OF DIRECTORS AND CONDITIONS OF DIRECTORSHIP**

- Director shall be liable to retire by rotation in accordance with the Act and the Articles of Association of the Company.
- The director shall not hold office as a director, including alternate directorship, in more than 20 companies at the same time, provided that maximum number of public companies in which a person can be appointed as a director shall not exceed 10.
- The director shall not hold the position of a member in more than 10 committees or act as chairman of more than 5 committees across all the companies in which he/ she is a director. Furthermore, every director shall inform the company about the committee position he/ she occupies in other companies and notify the company of the changes, as and when they take place.
- The tenure of Managing Director or Whole Time Director or Manager shall not exceed 5 years at a time.



- The re- appointment of Managing Director or Whole Time Director or Manager of the Company shall not be made 01 year before the expiry of his/ her term.
- Managing Director or Whole Time Director or Manager of the Company shall retire at the age of 70 years unless his appointment is extended beyond 70 years of age by passing a special resolution of the shareholders in accordance with the Act.

An Independent Director shall:

- hold office for a term up to 5 consecutive years on the board of the Company (by way of passing Special Resolution) and shall be eligible for re-appointment by the Company on passing of a Special Resolution and disclosure of such appointment in the Board's report;
- notwithstanding the above, not hold office for more than 2 consecutive terms, but shall be eligible for appointment after expiry of 3 years of ceasing to become an Independent Director, provided that during the said period of 3 years he is not appointed with the Company in any other capacity either directly or indirectly;
- not serve as Independent Director on the Board of more than 7 listed Companies; or 3 listed Companies in case such person is serving as Whole Time Director/ Managing Director of listed company in accordance with Regulation 17(A) of SEBI Regulations.

A person shall not serve as a director on the board of directors of more than seven listed entities. For this purpose, listed entities on which a person is a director/ independent director shall be only those whose equity shares are listed on a stock exchange.

The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

The approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Further, the appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a



general meeting, shall be done only with the prior approval of the shareholders.

**POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & OTHER EMPLOYEES {ON APPOINTMENT/ SUBSEQUENT INCREASES}:-**

- The Company shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- It should be ensured that no director/KMP/ other employee are involved in deciding his or her own remuneration.
- The market rates/ quantum and structures of remuneration as applicable to the comparable organisations in the similar business spheres should be given due consideration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks.
- Performance benchmarks are laid down.
- Increase in remuneration should provide rewards for improved performance.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
  - Responsibilities and duties;
  - Time & efforts devoted;
  - Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick;
  - Standards for certain functions/Departments like Sanctions, Land & Business Development, where there is a huge scarcity of qualified resources.
  - Ensuring text efficient remuneration structures.
  - Ensuring that remuneration structure is simple and that the cost to the Company {CTC} is not shown inflated and, in comparison, the effective take home remuneration is not low.



- Any other criteria as may be applicable.
- Consistent treatment of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification/reasons should also be indicated/disclosed adequately.

**REVIEW**

This shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time.

  


**Pranav Ansal**  
**Chairman & Whole Time Director**

**Date: 12<sup>th</sup> August, 2024**  
**New Delhi**