



# KCL INFRA PROJECTS LIMITED

Regd. Office: 402, Radhakrishnan Apartment, Vijay Homes,  
Bangladesh Naka, Bhayandar (West), Thane-401101, Maharashtra  
E-mail: [kclindia@yahoo.co.in](mailto:kclindia@yahoo.co.in); CIN: L45201MH1995PLC167630

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## **POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

### **1. INTRODUCTION:**

KCL Infra Projects Limited (“the Company”) recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company.

Section 178 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement with Stock Exchanges require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- 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.
- 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
- carry out evaluation of every director’s performance
- formulate the criteria for evaluation of Independent Directors and the Board

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of KCL Infra Projects Limited herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:



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## 2. DEFINITIONS:

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Company**” means “KCL Infra Projects Limited.”

“**Directors**” means Directors of the Company.

“**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“**Key Managerial Personnel**” means as may be defined in the Companies Act, 2013.

As per section 2(51) “key managerial personnel”, in relation to a company, means—

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time Director;
- iv. the Chief Financial Officer; and
- v. 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.

“**Policy or This Policy**” means, “Policy for Remuneration of Directors, Key Managerial Personnel and Senior Employee”.

“**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.



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**“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.

**“Other employees”** means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

### **3. REMUNERATION TO THE DIRECTORS:**

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organizations.

The remuneration payable to the directors of the Company shall at all times be determined, in accordance with the provisions of Companies Act, 2013.

### **4. APPOINTMENT AND REMUNERATION OF MANAGING DIRECTOR AND WHOLE TIME- DIRECTOR:**

The terms and conditions of appointment and remuneration payable to a Managing Director and/or Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 3 (years) at a time.



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The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

Annual Increments to the Managing/ Whole Time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

## **5. INSURANCE PREMIUM AS PART OF REMUNERATION:**

Where any insurance is taken by a Company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.



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## 6. REMUNERATION TO INDEPENDENT DIRECTORS:

Independent Directors may receive remuneration by way of

- Sitting fees for participation in the Board and other meetings;
- Reimbursement of expenses for participation in the Board and other meetings;
- Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to Independent Directors, but the amount of such sitting fees shall not exceed the maximum permissible under the Companies Act, 2013.

## 7. REMUNERATION TO DIRECTORS IN OTHER CAPACITY:

The remuneration payable to the directors including Managing Director or Whole-time Director or Manager shall be inclusive of the remuneration payable for the services rendered by him/her in any other capacity except the following:

- a) the services rendered are of a professional nature; and
- b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

## 8. EVALUATION OF THE DIRECTORS:

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178 (2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.



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In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an independent professional consultant.

## **9. NOMINATION AND REMUNERATION OF THE KEY MANAGERIAL PERSONNEL (OTHER THAN MANAGING/ WHOLE-TIME DIRECTORS), KEY-EXECUTIVES AND SENIOR MANAGEMENT:**

The executive management of a company is responsible for the day to day management of the Company. The Companies Act, 2013 has used the term “Key Managerial Personnel” to define the executive management.

The KMPs are the point of first contact between the Company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the Key Managerial Personnel and the Senior Management who are responsible for not just laying down the strategies as well as its implementation.

The Companies Act, 2013 has for the first time recognized the concept of Key Managerial Personnel.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole-time Director(s), shall be governed by the Section on Remuneration of the Directors of this Policy dealing with “Remuneration of Managing Director and Whole-time- Director”.

Apart from the directors, the remuneration of all the other KMPs such as the Chief Financial Officer, Company Secretary or any other officer that may be prescribed under the statute from time to time; and “Senior Management” of the Company defined in the clause 49 of the Listing Agreement, shall be determined by the Key Managerial Personnel/s of the Company in consultation with the Managing Director and/ or the Whole-time Director Finance.

The remuneration determined for all the above said senior personnel shall be in line with the Company’s philosophy to provide fair compensation to key - executive officers based on



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their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided by the Company's Key Managerial Personnel/s.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department in consultation with the Managing Director and/ or the Whole-time Director Finance of the Company.

## **10. REMUNERATION OF OTHER EMPLOYEES:**

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Key Managerial Personnel/s shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HODs of various departments.

Decisions on Annual Increments shall be made on the basis of this annual appraisal.



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## 11. REVIEW AND AMENDMENT:

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

**//The End //**