

Policy on Directors' Appointment and Remuneration

(disclosure pursuant to Section 178 (3) of the Companies Act, 2013)

- I. *Policy on directors' appointment including criteria for determining qualifications, positive attributes and independence of a director*
 - a. Directors: Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.
 - b. Independent Directors: For appointing any person as an Independent Director he/she should also possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014 which states the following:

An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

In addition, the director should satisfy the independence criteria as laid down in Section 149(6) of the Act and SEBI (Mutual Funds) Regulations, which states the following :

The independent directors on the Board of the AMC shall not be associate of, or associated in any manner with, the sponsor or any of its subsidiaries or the trustees.
 - c. Positive Attribute: A Director of the Company shall be a person of integrity and shall possess the ability, relevant expertise, experience and qualifications required to effectively discharge his/her duties as a Director.

II. Remuneration Policy

A. Executive and Non-Executive Directors

The Managing Director is appointed by the shareholders at a general meeting. The terms and conditions of appointment have been approved by the members at a general meeting. In terms of the appointment, his remuneration has been borne by the holding company. As such he is not drawing any remuneration from the company.

A sitting fee of Rs.10,000/- for attendance at each meeting of the Board, Audit Committee, Executive Committee, Nomination and Remuneration Committee and Corporate Social Responsibility

Committee are being paid to each member of the Board / Committee (excluding to Directors of the holding Company). The Company also reimburses expenses to Directors attending meetings held at the Registered office other than the one in which the Directors reside.

The remuneration by way of Commission to the nonexecutive directors (other than Directors of the holding Company) shall be decided by the Board of Directors and distributed to them every year.

In terms of the resolution passed by the Members at the Annual General Meeting held on 30th June 2014, the Board may decide the payment of remuneration by way of commission to the Non whole-time directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company for a period of 5 years.

B. Key Managerial Personnel

The remuneration of the Key Managerial Personnel of the Company (other than Managing Director) is reviewed and recommended by the Nomination and Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), performance bonus (variable components) to its KMP. Annual increase in remuneration of the key personnel is decided by the Nomination and Remuneration Committee within the salary scale approved by the Members and is effective from April 1, every year.

C. Other employees

The remuneration of other employees mainly consists of basic remuneration, perquisites, allowances and performance Bonus. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, etc. The annual variable pay of Key personnel is linked to the Company's performance in general and their individual performance for the relevant year which is measured against a review of specific performance areas that are closely aligned to the Company's objectives.