

Gujarat State Financial Services Limited

Remuneration Policy for the Key Managerial Personnel, Senior Management and other employees

1. Preamble

The primary objective of Remuneration Policy is to provide a framework for the remuneration of Key Managerial Personnel, Senior Management and other employees of the Company.

2. Applicability

In terms of the Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors of the following classes of companies are required to constitute a Nomination and Remuneration Committee (herein after referred as “NR Committee”) :

- (i) all public companies with a paid up capital of ten crore rupees or more;
- (ii) all public companies having turnover of one hundred crore rupees or more;
- (iii) all public companies, having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crore rupees or more.

Hence, the provisions of NR Committee are applicable to GSFS and hence the Company is required to formulate a Remuneration policy.

3. Objectives of the Policy

The primary objectives of the Policy are, as under:

- (a) To ensure that the level and composition of remuneration is in line with other Companies in the industry, sufficient to attract and retain right talent at all level and keep them motivated enough to meet the objectives of the Company.
- (b) To ensure that a reasonable balance is maintained in terms of composition of remuneration.
- (c) To have performance measurement parameters in place to assess the overall performance of Key Managerial personnel, Senior Management and other employees.

4. Remuneration payable to Key Managerial Personnel, Senior Management and other employees

Key Managerial Personnel shall mean and include Chief Financial Officer and Company Secretary of the Company. Senior Management shall mean and include Head of Departments.

The remuneration payable to Key Managerial Personnel, Senior Management and other employees shall be as per GSFS Service Rules. GSFS may adopt the salary scale of Government of Gujarat (as in force from time to time) as per the respective grades of the employees.

Presently, GSFS has pay scale as recommended by Sixth Pay Commission and as adopted by Government of Gujarat for its employees.

5. Disclosure in the Board's Report

Disclosure as required under provisions of the Companies Act, 2013 and rules made thereunder shall be made in Board's Report.

6. Policy Review

As and when required, the Remuneration Policy may be reviewed by the Nomination and Remuneration Committee.