

NOMINATION, REMUNERATION & COMPENSATION (“NRC”) COMMITTEE AND POLICY

Terms of reference:

The terms of reference of the NRC Committee, among others, consists of reviewing the overall compensation policy, service agreements, performance incentive and employment conditions of Executive Director(s) and Key Managerial Personnel / Senior Management Personnel. The recommendations of NRC Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary. The Company Secretary is the Secretary to the Committee.

Constitution:

1. The NRC Committee currently comprises of 4 Directors and is chaired by an Independent Director.
2. The details of composition of the NRC Committee along with attendance of the Committee Members at the meetings held during the year under review will be maintained and will be available for viewing as and when required.

Guidelines governing Remuneration quantum & structure across cadres within the organization:

1) Wage Bill of the organization: –

SSIPL RETAIL LIMITED					
Wage Bill 2014-15 = INR 84.96 Cr					
It is 10.96% of our total turnover					
Manufacturing share is 5.8 % and retail's is 5.16 %					
Retail - 31 st March 2015					
214	15.33 Cr	1036	24.62 Cr	1250	39.96 Cr
Manufacturing - 31 st March 2015					
Backend employees	Manpower cost	Labour workers	Manpower cost	Total employees	Total cost
554	13.2 Cr	3471	31.8 Cr	4025	45.0 Cr
SSIPL LIFESTYLE PRIVATE LIMITED					
Wage Bill 2014-15 = INR 24.70 Cr					
It is 8.34 % of our total turnover					
31 st March 2015					
137	7.54 Cr	822	17.16 Cr	959	24.70 Cr

2) Basis of Yearly Increment: (Applicable for all cadres of employees who have completed at least 12 months of service, excluding employees covered under Minimum wages) We follow two cycles of increment the April and the October cycle; those whose joining date is in Between January and June are covered in the April cycle and those in the bracket of July to December are covered in the October cycle. We follow the 180 degree Performance Appraisal concept for the same.

a) Criteria for Fixed Pay Increments: The quantum of raise will be driven by the “Performance Management System”. The Budget for the appraisal of Fixed Pay will be defined by the Management depending upon the performance of the Company. These Budgets will be sanctioned by the Management at the beginning of the Financial Year. The increments for the last 3 years at the organizational level have **been in the range of 10 to 14% average.**

b) Criteria for Variable Pay:

i) Yearly Variable Pay /Performance Bonus: Applicable for selected cadres of employees but not limited to only Directors / KMP’s / SMP’s (identification of eligible employees for Annual/ Quarterly Variable Pay Scheme will be decided by the Management at the beginning of Financial Year). Percentage of profits (Cash Benefits and / or ESOP) to be shared with Employees to be decided at the start of the financial year and will be disbursed if the Company achieves the said targets.

ii) Monthly Variable Pay: The retail frontend (store employees) have a monthly variable pay component which is as per a given commission structure based on the individual / store target against achievement matrix.

iii) Policy on ESOP: 1.5 lac options were granted under ESOS 2008 scheme and 76000 options were granted under ESOS 2014. The distribution was based on quantum and criticality of role being handled, delivery on the given role, loyalty towards the organization (no. of years of fruitful association) and some budding second line employees, due for career progression were also rewarded. ESOP is being used as or along with the annual cash bonus component of the Annual Variable Pay Scheme. The pay outs under the AVPS are based on our collective performance on the Organizational Business KRAs each year, targets of which are designed by the management.

C) Remuneration payable to workers in the organisation

The workers are paid as per an approved salary band which is detailed by the respective state governments. All revisions as and when applicable are payable with effect from the date it is being made applicable. As it is a statutory obligation, management is apprised of the raise and the said is implemented. We religiously adhere to the skill-bands as prescribed

in the Labour law. As on 31st March 2015, we had workers as per the following matrix:

SSIPL Retail Limited

	Manufacturing Labour	Retail - Frontend
Un-skilled	554	223
Semi-Skilled	834	564
Skilled	538	249
Highly -skilled	1169	

SSIPL Lifestyle Pvt. Ltd.

	Retail - Frontend
Un-skilled	144
Semi-Skilled	492
Highly -skilled	186

D) Remuneration payable to Executive Director(s)

The percentage taken together may exceed 10% of the Net Profit of the Company after approval of shareholders in General meeting in terms of Companies Act, 2013

E) Remuneration Payable to Non-Executive Director(s)

A sitting fee up to a maximum Rs.1 Lac shall be payable to Independent and Non-Executive Directors if approved by the Board and Share Holder of the Company, if required. The actual expense incurred for attending the Board Meeting / or any allied company assignment shall be reimbursed as per actuals.

F) Remuneration Payable to Key Managerial Personnel / Senior Management Personnel

KMPs – As Per Company Policy and Salary Structure

SMPs – As defined by the Board Members from time to time.

Annexure 1 – Band & Cadre-wise organizational chart along with the allied remuneration band

Annexure 2 - Key Definitions:

Annexure 1

Grade	Designation
A1	MANAGING DIRECTOR
A2	DIRECTORS / PRESIDENT / CFO
A3	HEADS / SR. VICE PRECISENTS / VICE PRESIDENTS
B1	ASSISTANT VICE PRESIDENTS / CHIEF GENERAL MANAGERS /SENIOR GENERAL MANAGERS
B2	GENERAL MANAGERS / BRAND HEADS
B3	DEPUTY GENERAL MANAGERS
C1	SENIOR MANAGERS
C2	MANAGERS / FACTORY MANAGERS
C3	DEPUTY MANAGER / ASSISTANT MANAGERS / DDESIGNERS / COORDINATORS / EXECUTIVE - RETAIL SALES
DB1	SENIOR RETAILS TORE MANAGER / RETAIL STORE MANAGER / ASSISTANT STORE MANAGER / ASSISTANT MANAGER (CASH DESK)/ASSISTANT STORE MANAGER/SENIOR EXECUTIVE
DB2	EXECUTIVE / ASSISTANT EXECUTIVE / FLOOR INCHARGE / RETAIL FLOOR MANAGER / MANAGEMENT TRAINEE / JUNIOR ENGINEER / ASSISTANT ENGINEER / ASSISTANT DESIGNER
DB3	ASSISTANT EXECUTIVE / COUNTER EXECUTIVE / EXECUTIVE (CASH DESK) RE & VM COORDINATOR / SENIOR RETAIL EXECUTIVE / RETAIL EXECUTIVE / TRAINEE EXECUTIVE - BACKEND / MECHANICS / COMPUTER OPERATORS / LINE INCHARGE / NURSING ASSISTANTS /
DB4	RETAIL TRAINEE / DRIVER / HELPER / SHOP ASSISTANT / TAILOR / OPERATOR / SUPERVISOR / CARPENTOR / CHECKER / COOK / CUTTER / FEEDER / GARDNER / GUARD/ LOADER STITCHER PAINTER

Annexure 2 - Key Definitions:

KMP – MD / WTD/ CFO / CS

SMP – As defined by the NCR Committee from time to time.

Wage Bill – Total Cost incurred on manpower across levels.

AVPS – Annual Variable Pay Scheme.

Eligible Employee for AVPS – As decided by the management depending upon the criticality of the portfolio being handled and allied deliverables.

