

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The Companies Act, 2013, read with the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has placed more emphasis on the role of Non-Executive Directors, including Independent Directors on the Board of the Company. These non-executive directors play an important role as a part of the Board. They bring in external and wider perspective to the decision-making process by the board and provide valuable guidance and advice. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully.

However, the requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under Companies Act, 2013 for payment of sitting fees without approval of the Central Government

Sitting Fees:

The Non-Executive Director may receive remuneration by way of fees for attending meetings of Board and various Committee formed under the Act. Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Overall remuneration (sitting fees and commission, if any) should be reasonable and commensurate with the responsibilities, time spent in Board and Committee meetings by the NEDs. The Nomination and Remuneration Committee of the Company may recommend to the Board for revision, as and when feel so, in the fees paid to the Non-Executive Directors.

Commission:

Pursuant to the provisions of Section 197 of the Companies Act, 2013, a company to pay remuneration to its NEDs 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. Further, the section also states that where the company has either managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company. Currently the Company is not paying Commission to its NEDs.

Reimbursement of actual expenses incurred:

The Non-Executive Directors are also entitled for reimbursement of expenses incurred for attending the Board Meetings, Committee Meeting and Shareholder meetings thereof. The Company will organize induction and training programme for Non-Executive Directors to make them familiarise with the nature and business of the Company, and any expenses incurred for attaining such programmes shall also be reimbursed to the NEDs.

Stock Options:

As per the provisions of Companies Act, 2013 and Listing Regulations an Independent Director shall not be entitled to any stock options and may receive remuneration by way of fees and reimbursement

of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.

Amendments

Subject to the provisions of Companies Act, 2013 and Listing Regulations, the Company reserve the right to modify and/or amend the content of this document.