

Criteria of making payments to Non-Executive Directors

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as Listing Regulation, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. 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.

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

- **Sitting Fee:** Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, Equity Listing Agreement or other applicable law or for any other purpose whatsoever as may be decided by the Board.
- **Commission:** Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its “IDs” and “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 “IDs” and “NEDs”.

- **Professional Fees:** Under the Companies Act, 2013, Section 197 allows a Company to pay remuneration to its “IDs” and “NEDs” for services rendered by any such Director if:
 - a) The services rendered are of Professional nature;
 - b) In the opinion of Nomination and Remuneration Committee the Director possess the requisite qualification for the practice of the profession.

As per the provision of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non-Executive Director(s), and with the approval of the Shareholders where ever required.

Amendments

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Nomination & Remuneration Committee and the Board of Directors of the Company.