



Criteria for making payment to Non- Executive Directors

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

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

Sitting Fee:

The 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 the Companies Act, 2013, SEBI LODR or other applicable law or for any other purpose whatsoever as may be decided by the Board; within the permissible limits as provided under the applicable law from time to time.

Under the Companies Act, 2013, section 197 allows 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 a 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/s 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.

The Company is however not obligated to remunerate its NEDs.

Reimbursement of actual expenses incurred:

NEDs may also be paid/ reimbursed for expenses towards travel, boarding and lodging and incidental and/ or actual out-of-pocket expenses incurred by such NEDs for attending Board/Committee Meetings.
