
CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE INDEPENDENT DIRECTORS

Effective from: September 21, 2018

Last Updated: August 2, 2025



SITTING FEES:

The Non-Executive Independent Directors are entitled to sitting fees for attending the meetings of the Board and Committees thereof. Sitting fees paid to Non-Executive Independent Directors are within the limits prescribed by the Companies Act, 2013 and as approved by the Board of Directors from time to time on the recommendation by Nomination and Remuneration Committee.

REIMBURSEMENT OF EXPENSES:

The Non-Executive Independent Directors are also entitled to reimbursement of expenses incurred by them on behalf of the Company and expenses for participation in the Board and other official meetings in terms of the Companies Act, 2013.

REMUNERATION:

Section 197 of the Companies Act, 2013, allows a Company to pay remuneration (excluding sitting fees) to its Non-Executive Directors (NEDs) either by monthly payment or at a specified percentage of net profits of the Company, or partly by one way or partly by other subject to the prior approval of the shareholders of the Company.

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 and if the Company proposes to pay a remuneration to NEDs exceeding the said limits, it shall be subject to shareholders approval.

Further as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, as amended from time to time, the board of directors shall recommend all fees or compensation, if any, paid to Non-Executive directors, including independent directors and shall require approval of shareholders in general meeting. However, the requirement of obtaining 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 the Companies Act, 2013.

Accordingly, the Board of Directors of the Company may on recommendation from and in consultation with the Nomination and Remuneration Committee of the Company pay such remuneration (including commission) as referred above, from time to time, to Non-Executive Directors as it may deem fit and depending on the extra time that may be devoted and contributions made by the Non-Executive Directors to the Company and subject to such approvals as may be required in this regard.

The Company is, however, not obligated to remunerate its NEDs.

