

Policy on Payments to Directors

The compensation to the Board of Directors of the Company are broadly governed by the provisions of the Companies Act 2013, Articles of Association of the Company and the SEBI regulations.

Executive Directors are eligible to receive a fixed remuneration on a monthly basis either from the Company or its Subsidiary Company(ies) in which also they are the Executive Directors. The aim of providing fixed remuneration is to attract and retain the best qualified members to the Board. The fixed remuneration is determined based on market standards and the Company's specific needs from time to time. The Board of Directors evaluate the fixed remuneration annually based on the results from the previous period and with due consideration to the trend within the market standards. Apart from the fixed remuneration, the Executive Directors are eligible for performance linked bonus (based on performance of the Company and the performance of Individual Executive Director), which will be decided by the Board. The Executive Directors are also eligible for Stock Options at the discretion of the Board.

Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

Non Executive Directors are eligible for fixed amount of sitting fees for attending meeting of the Board of Directors and its committees. The Independent Directors are not eligible for Stock Options.

Sitting fees

The Sitting fees presently payable to the Board of Directors for attending the meetings of the Board and its committees is based on the following criteria

- The Chairman of the meeting is entitled for a sitting fees of Rs. 20,000/- per meeting
- The members are entitled for Rs. 15,000/- per meeting.

The Board has the flexibility to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

Sharing profits by way of Commission

Considering the contribution and guidance by the Non executive directors for the progress of the Company, collectively they are eligible for a commission out of net profits of the Company upto to an overall limit of 1% of the net profits of the Company for each financial year computed as per the Companies Act, 2013 and subject to such limits as may be determined from time to time by the Board of Directors on the recommendation by the Nomination and Remuneration Committee. The amount of commission for every financial year will be decided by the Board of Directors.

The Commission shall be paid to the Directors basis the following criteria

- Performance of the Company during the particular Financial Year
- Reviewing the Industry practices and bench marks
- Maintenance of Independence and adherence to Corporate Governance during discussion and proceedings of the Board Meetings.
- Timely guidance to the Board on important policy matters of the Company.

The general policy is to share such commission among the Non Executive Directors with the exception of slightly higher proportion of commission to the Chairman of the Board and the Chairman of the Audit Committee, as may be decided by the Nomination and Remuneration Committee from time to time.
