

Basis for compensation payment to the Independent Directors

As permitted under the Companies Act, 2013, the payment of commission up to a sum not exceeding 1% of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the said Act, accordingly the Board of Directors of the Company in its meeting held on 20 May 2022 have approved the distribution of commission to the Independent Directors, by way of commission, out of the net profits for the Financial Year ended 31 March 2022 of the Company. The details of payment of commission are given in Table 4 above. The approval granted by the shareholders of the Company in their 34 Annual General Meeting for payment of commission up to a sum not exceeding 1% of the net profits of the Company to the Independent Directors of the Company shall be valid for 5 years with effect from 1 April 2018. Since, the Independent Directors of the Company, besides attending the meetings of the Board and/or Committee(s) thereof, are also devoting their valuable time in rendering various services including counselling, guidance and advise on technical, financial, HR and other related matters of the Company, and for that the aforesaid Directors have not been paid any remuneration for their services except the sitting fee for each meeting of the Board and/or Committee(s) thereof attended by them.