

PASHUPATI COTSPIN LIMITED
(CIN: L17309GJ2017PLC098117)

***CRITERIA FOR MAKING
PAYMENT TO
NON-EXECUTIVE DIRECTORS***

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With changes in the Corporate Governance norms, the role and responsibilities of Independent Directors ("ID") and Non-Executive Directors ("NED") and the degree and quality of their engagement with the Board has undergone a substantial change over a period of time. The IDs & NEDs bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in the independent functioning of the Board.

Sitting Fee

NEDs/Independent Directors may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting for any other purpose whatsoever as may be decided by the Board. The Board of Directors have decided in their Meeting the sitting fees payable to the Board of Directors for attending the meetings of the Board and the Committees of the Board (Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee) is ₹ 5000/- per meeting. The Board has been empowered to enhance the sitting fees up to the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

The NEDs/ Independent Directors shall receive Sitting fees for attending meetings of the Board or Committees (as mentioned above) thereof or any other meeting as required by Companies Act, 2013, the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 or other applicable laws.

Commission

The Board of Directors decided that no Commission would be paid to the NEDs/Independent Directors.

Reimbursement of actual expenses incurred

NEDs/ Independent Directors may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings.

Payment to Independent Directors

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198 of the Companies Act, 2013, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197 of the Companies Act, 2013, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Provided that if a company has no profits or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under sub-section (5) of section 197 of the Companies Act, 2013, in accordance with the provisions of Schedule V.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company.