

Payment of Sitting Fees to Non-Executive Directors

The Board of Directors of Garden Silk Mills Limited ('the Company') are comprised of various professionals from diverse backgrounds in the field of finance, banking, management and engineering etc. which brings to the table different dimensions for its effective functioning.

With changes in the Corporate Governance norms, the role and responsibilities of 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 Non-executive Directors 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.

Considering the time and efforts made by the Non-executive Directors, it is necessary that appropriate sitting fees are paid to the Non-executive Directors for attending the meetings of the Board and its Committees.

The Board at its meeting held on 4th February, 2019 based on the recommendations of the Nomination and Remuneration Committee, approved the proposal for increase in sitting fees to all its Non-executive Directors with effect from 1st February, 2019 and the same is in compliance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Non-executive Directors are paid Rs.20,000/- for attending each Board meeting and Audit Committee meeting and Rs.2,500/- for attending other committee meetings with effect from 1st February, 2019.

In addition, the Non-executive Directors will be paid / reimbursed such sums incurred as actuals for travel, incidental and / or such other expenses as are incurred by such Director / Member for attending Board / Audit Committee / other Committee meetings of the Company.