

**Mukand Engineers Limited**

Kalwe Works : Thane-Belapur Road,  
Post Office Kalwe, Thane, Maharashtra  
India 400 605

Tel: 91 22 2172 7500 / 7700 F : 91 22 2541 0291  
E : mel@mukand.com

Regd Office: Bajaj Bhavan, Jamnalal Bajaj Marg,  
226 Nariman Point, Mumbai, India 400 021.

www.mukandengineers.com

CIN L45200MH1987PLC042378

Date: 13<sup>th</sup> August, 2014

**SHRI PRAKASH V. MEHTA**  
123A, Maker Tower,  
Cuffe Parade, Colaba,  
Mumbai, 400005

Dear Sir,

***Sub.: Appointment as a Non-Executive Independent Director of Mukand Engineers Limited***

We are pleased to confirm your appointment as a Non-Executive Independent Director of the Company (the "Appointment") at the 28th Annual General Meeting, pursuant to the provisions of Companies Act, 2013 and the Rules made thereunder, with effect from 13<sup>th</sup> August, 2014 for a period of five consecutive years upto the conclusion of 33<sup>rd</sup> Annual General Meeting.

Further, as stipulated under the provisions of the Companies Act, 2013, the appointment of Independent Directors shall be governed by the Schedule IV to the Companies Act, 2013 - 'Code For Independent Directors', enclosed to this letter as **Annexure I**, which primarily covers:

- I. Guidelines of professional conduct
- II. Role and functions
- III. Duties
- IV. Manner of appointment
- V. Re-appointment
- VI. Resignation or removal
- VII. Separate meetings
- VIII. Evaluation mechanism

The terms of the Appointment, which in any event shall be subject to the Companies Act, 2013, Rules made thereunder and the Articles of Association of the Company, are set out below, as stipulated in Schedule IV to the said Act.

**Appointment**

1. The Appointment is for a term of five consecutive years, expiring at the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in the calendar year 2019 (the "Termination Date").
2. During your tenure as an Independent Director, you may be asked to serve on one or more of the Board committees. Copies of the terms of reference for each of those committees would be provided at the appropriate time, if not already provided to you.
3. You will strictly abide by the Code for Independent Directors referred to above.

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4. The Company expects a commitment of sufficient time and attention as necessary in order to perform your duties under the Appointment. This will include attendance at regular and emergency Board meetings, any annual meeting of Independent Directors and the Annual General Meeting. You may also be required to attend regular meetings of any Board committee of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.
5. By accepting the Appointment, you confirm that you are able to allocate sufficient time to perform your role.

#### **Role & Duties**

6. As a Non-Executive Independent Director you have the same general legal responsibilities to the Company as any other Director, except that you shall be held liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.
7. You will adhere to the following duties of directors, which are more specifically stipulated in Section 166 of the Companies Act, 2013, as under –
  - (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
  - (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
  - (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
  - (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
  - (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
  - (6) A director of a company shall not assign his office and any assignment so made shall be void.

#### **Remuneration and reimbursement of expenses**

8. Unless decided otherwise, you will be paid a sitting fee for your services as a Non-Executive Independent Director of Rs.20,000/- (Rupees Twenty Thousand only) per meeting of the Board and Audit Committee thereof attended as a member/ Chairman and of Rs.10,000/- (Rupees Ten Thousand only) per meeting of any other statutory committee formed thereof attended as a member/ Chairman.

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In addition to the fee described in 8 above, the Company will reimburse you for all reasonable and properly documented expenses you incur in performing your role including conveyance for attending the meeting(s).

9. During the Appointment, circumstances may arise in the furtherance of your duties as a Director when it will be appropriate for you to seek advice from independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred as deemed necessary.

#### **Other directorships and business interests**

10. The Company acknowledges that you may have business interests other than those of the Company and that you may have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, not declared so far, these may be disclosed to the Chairman and Company Secretary as soon as they become apparent.
11. During the Appointment, you may please inform us prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments, to avoid any conflict of interest with your current position in the Company.

#### **Code of Conduct & other compliances**

12. During the Appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.
13. At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149 (6), in the format as per **Annexure II** to this Letter.

#### **Confidentiality**

14. You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Non-Executive Independent Director of the Company.
15. Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.
16. On termination of the Appointment, you will deliver to the Company all books, document, papers and other property of or relating to the business of the Company which are in your possession, custody or power by virtue of your position as a Non-Executive Independent Director of the Company.

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### Performance Review Process

17. The performance of individual Directors and the whole Board and its Committees shall be evaluated by the Nomination & Remuneration Committee. If, in the interim, there are any matters arising in connection with your role as a Non-Executive Independent Director which cause you concern, you may discuss with us as soon as appropriate.

### Publication of the letter of appointment

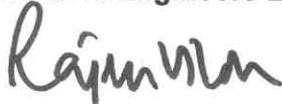
18. In line with the provisions of the Companies Act, 2013, the Company may make public a generic copy of this letter on its website at [www.mukandengineers.com](http://www.mukandengineers.com) and the same shall be open for inspection at the registered office of the company by any member during normal business hours.

This letter is governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Mumbai, India.

This letter constitutes neither a contract for services nor a service contract.

Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Yours sincerely,  
For Mukand Engineers Limited



Rajesh V. Shah  
Chairman  
DIN-00033371

To,  
Mukand Engineers Limited

I have read and I agree to the above terms regarding my appointment as a Non-Executive Independent Director of Mukand Engineers Limited.

Signature  
Name: Prakash V. Mehta  
DIN : 00001366  
Place: Mumbai  
Date: 13<sup>th</sup> August, 2014



## ANNEXURE - I

### Code for Independent Directors

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **I. Guidelines of professional conduct:**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

#### **II. Role and functions:**

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

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