



LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS

30th September, 2014

To,
Mr. Awinash M. Arondekar
Mr. Shrikant T. Gadre
Dr. Sunder Lall Dhingra
Mr. V. Sivakumaran
Mr. Vilas B. Parulekar

Dear Sirs,

Sub: Appointment as a Non-Executive Independent Director

We are pleased to confirm your appointment as a Non-Executive Independent Director of the Company (the "Appointment") with effect from 30th September, 2014, which is pursuant to the provisions of Companies Act, 2013 read with Schedule IV and the Rules made thereunder and as approved by the Board of Directors in their meeting held on 14th August, 2014 and by the members in their 19th Annual General Meeting held on 30th September, 2014.

Further, the appointment of Independent Directors shall be governed by the Schedule IV to the Companies Act, 2013, which is attached herewith as **Annexure A**.

1. Appointment

- a. You will be appointed as a Non-Executive Independent Director on the Board of Directors of the Company with effect from 30th September, 2014. Your appointment is subject to approval by the Shareholders as per provisions of the Companies Act, 2013. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions under the Companies Act, 2013 and the listing agreement with stock exchanges.
- b. The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.
- c. The appointment is for a term of five consecutive years from the date of appointment.
- d. During your tenure as an Independent Director, you may be required to serve on one or more of the Board Committees. Copies of the terms of reference for each of those Committees would be provided to you at the appropriate time, if not already provided for.
- e. Your appointment shall also be governed by the Code for Independent Directors referred to above.
- f. 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 all the Board meetings, any annual meeting of Independent Directors and the Annual General Meetings. You may also be requested to attend regular meetings of any

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Board committee of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.

- g. You will not be an employee of the Company and this letter shall not constitute a contract of employment.

2. Time Commitment

- a. As a Non-Executive Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
- b. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

3. Role and Duties

- a. 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.
- b. You will adhere to the following duties of directors as mentioned in Section 166 of the Companies Act, 2013, in addition to duties mentioned in Schedule IV to the Companies Act, 2013:-
- i. Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the Company.
 - ii. 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.
 - iii. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
 - iv. 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.
 - v. 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.
 - vi. A director of a company shall not assign his office and any assignment so made shall be void.

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4. Fees / Commission

- i. you will be paid such remuneration by way of setting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.
- ii. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 10,000/- (Rupees Ten Thousand only) per meeting of the Board or a Committee thereof.

5. Reimbursement of Expenses

In addition to the remuneration described in above para, the Company will, during the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

6. Performance Review Process

The performance of individual Directors and the whole Board and its Committees shall be evaluated by the Remuneration & Nomination 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.

7. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

8. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

9. Confidentiality

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.

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10. Conflict of Interest

- i. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- ii. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

11. Termination

- a. You may resign from your position at any time and should you wish to do so after disclosing reasons therefor, you are requested to serve a reasonable written notice on the Board.
- b. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

This letter of appointment 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.

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

Yours sincerely
For **Pratibha Industries Limited**

Sd/-

Usha B. Kulkarni
Chairperson

----- ACCEPTANCE -----

To,
Pratibha Industries Limited

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signature

Place :
Date :

Pratibha Industries Limited

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