



Date: 21.09.2015

To,

Ms. Ruma Mukherjee  
I-1750, C R Park,  
New Delhi-110019

Dear Madam,

**Sub: Appointment as an Independent Director**

We are pleased to inform that pursuant to your confirmation and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the Shareholders of the Company at the 32<sup>nd</sup> Annual General Meeting held on Monday, the 21st September 2015 have passed the resolution for your appointment as an Independent Director of the Company for 5 Years till 30<sup>th</sup> September, 2020 until otherwise decided.

I am writing to set out the terms and conditions of the appointment as follows;

1. The appointment is for an initial term of 5 years commencing till 30<sup>th</sup> September, 2020.
2. The Board of Directors expects that your expertise and experience will add value to the organization. Further, you will discharge all your duties and obligations as a Director of the Company with utmost integrity and professionalism. The Board also expects that you will adhere to the "Code of Conduct" and "Code for Independent Directors" (attached as **Annexure 1**) in terms of the Listing Agreement and Section 149(8) read with Schedule IV of the Companies Act, 2013 respectively.



**MEGA NIRMAN & INDUSTRIES LIMITED**

Regd. Office: - 257, Second floor, Satyam tower, Commercial Complex, Paschim Vihar New Delhi- 110063

Tel. No. 011-47075887, website: [www.mnil.in](http://www.mnil.in)

CIN: L70101DL1983PLC015425, email id: [secretarial.mnil@gmail.com](mailto:secretarial.mnil@gmail.com)

3. The Board of Directors expects that you adhere to the Company's policies and procedure as may be applicable from time to time and to comply with applicable laws and regulation regarding anti-corruption, bribery or any other law regarding improper payment or influence or payment in connection with the services rendered by you.
4. The Board of Directors may nominate you on any of its Committee(s) as may be required from time to time. The tasks required to be carried out by the specific committee shall be communicated to you separately.
5. The duties and liabilities attached to your position shall be as applicable from time to time.
6. The performance of the board as a whole, its committees and individual directors are evaluated as per the procedures.
7. It is accepted and acknowledged that you may have business interests other than those of the Company. Please contact the company secretary as soon as possible to arrange for your interests as a shareholder, director, officer or trustee of other companies or entities to be entered in the Company's Statutory Register(s). Please ensure that the company is kept informed of any changes to your interests so that the company can ensure compliance with the applicable laws.
8. Any director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with the Company's business and does not materially interfere with their performance as a director of the Company. All other appointments must first be discussed with the Company before being accepted.
9. The Company will reimburse you for expenses incurred to attend the meetings of the Board of Directors and its Committees.
10. The Company provides Directors and Officers (D and O) insurance for all its Directors and Officers.
11. All information acquired during the appointment is confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Company.
12. The Board of Directors has requisite powers and authority to update and amend the above terms & conditions from time to time and such update/ amendment will be informed to the Directors in advance.

We look forward to your association with us and request you to append your signature at the place indicated herein below and return to us a copy of the same.

Thanking You,

Yours sincerely,

For **Mega Nirman & Industries Limited**



Shiwati Gandhi  
Company Secretary

*Signature*

**Received & Accepted**

**CODE FOR INDEPENDENT DIRECTORS**

*[In terms of Section 149(8) read with Schedule IV of the Companies Act, 2013]*

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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.

### **III. Duties:**

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors, the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a. the term of appointment;
  - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d. provision for Directors and Officers (D and O) insurance, if any;
  - e. the Code of Business Ethics that the company expects its directors and employees to follow;
  - f. the list of actions that a director should not do while functioning as such in the company; and
  - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - a. review the performance of non-independent directors and the Board as a whole;
  - b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.