



# Pradeep Metals Limited

Manufacturers of Precision Closed Die Forgings

PML/DIR/2017-18/02

18<sup>th</sup> May, 2017

Mr. Jayavardhan Dhar Diwan  
263A Kalpataru Horizon,  
S. K. Ahire Marg,  
Worli, Mumbai 400 018

Dear Mr. Diwan,

Sub: Appointment as an Additional Director in the category as Non-Executive Independent Director of Pradeep Metals Limited (the "Company").

We are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, Board of Directors in their meeting held on 13<sup>th</sup> May, 2017 have approved your appointment as an Additional Director in the category of Non-Executive / Independent Director of the Company till the ensuing General Meeting and subject to approval of shareholders at the General Meeting, which is pursuant to the provisions of Companies Act, 2013 (the Act) and the Rules made thereunder from time to time.

Further, as stipulated under the Act, the appointment of Independent Director shall be governed by Schedule IV to the Act - 'Code for Independent Directors', which is enclosed to this letter for your reference'. The terms of the appointment, in any event shall be subject to the Act, Rules made there under and the Articles of Association of the Company, as 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 on 12<sup>th</sup> May, 2022, subject to the approval of shareholders at the ensuing General Meeting of the Company
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 to you at the appropriate time, if not already provided.
3. You will strictly abide by the Code for Independent Directors as enclosed.
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 General Meetings. 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.



R-205, M.I.D.C., RABALE, NAVI MUMBAI - 400 701, INDIA.  
Phone : +91-22-2789 1028, 2789 3173 Fax : +91-22-2789 1123  
CIN : L99999MH1982PLC026191 E-mail : [Info@pradeepmetals.com](mailto:Info@pradeepmetals.com) Website : [www.pradeepmetals.com](http://www.pradeepmetals.com)



# Pradeep Metals Limited

## Manufacturers of Precision Closed Die Forgings

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 Act, as under -
- Subject to the provisions of this Act, a Director of a company shall act within the limits of the articles of the company.
  - 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.
  - A Director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
  - A Director of a company shall not involve in a situation in which he may have a direct or indirect interest which conflicts, or possibly may conflict, with the interest of the Company.
  - 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.
  - A Director of a company shall not assign his office and any assignment so made shall be void.

### Fees / Commission

8. Unless decided otherwise, you will be paid a sitting fee for your services as a Non-Executive / Independent Director of Rs.10,000 (Rupees Ten Thousand Only) per meeting of the Board and Rs.5,000 (Rupees Five Thousand Only) per meeting of the Committee thereof attended as a Member. In addition, commission shall be payable by the Company to the Non-Executive Directors (other than the Directors who are either in whole time employment of the Company or belong to the Promoters' Group) annually, if any, as may be recommended by the Board, for each of the five financial years, an amount not exceeding 1% (one percent) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act, to be divided amongst the Directors aforesaid in such amounts or proportions and in such manner as the Board of Directors of the Company may from time to time determine and in



R-205, M.I.D.C., RABALE, NAVI MUMBAI - 400 701, INDIA.  
Phone : +91-22-2769 1026, 2769 3173 Fax : +91-22-2769 1123  
CIN : L99999MH1982PLC026191 E-mail : info@pradeepmetals.com Website : www.pradeepmetals.com



# Pradeep Metals Limited

## Manufacturers of Precision Closed Die Forgings

default of such determination, equally. The payment of commission will be in addition to the sitting fees payable.

9. You will have no entitlement to any bonus during the appointment and no entitlement to participate in any share scheme and no stock options will be issued to you by the Company.

### Reimbursement of Expenses

10. 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. You may submit any details of expenses incurred to the Company Secretary.
11. 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

12. 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.
13. 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

14. 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.
15. 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) of the Act.

### Confidentiality

16. 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.



R-205, M.I.D.C., RABALE, NAVI MUMBAI - 400 701, INDIA.  
Phone : +91-22-2769 1026, 2769 3173 Fax : +91-22-2769 1123  
CIN : L99999MH1982PLC026191 E-mail : [info@pradeepmetals.com](mailto:info@pradeepmetals.com) Website : [www.pradeepmetals.com](http://www.pradeepmetals.com)



## **Pradeep Metals Limited**

**Manufacturers of Precision Closed Die Forgings**

17. 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.
18. 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.

### **Performance Review Process**

19. 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.

### **Insurance**

20. The Company has Directors' and Officers' Liability Insurance and it is intended to maintain such cover for the full term of the appointment.

### **Publication of the letter of appointment**

21. In line with the provisions of the Act, the Company may make public a generic copy of this letter on its website at [www.pradeepmetals.com](http://www.pradeepmetals.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 Indian Courts

This letter constitutes neither a contract for services nor a service contract. Kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Sincerely,  
For Pradeep Metals Limited

**Pradeep Goyal**  
Chairman and Managing Director

