

**APPOINTMENT LETTER**

**Date: 29/09/2014**

To,  
**Kesavan Mudakkarappillil Sugathan**  
**Flat No. 31, Floor 3, Wing - B-11,**  
**Vijay Nagari CHSL, Vijay**  
**Nagari, G.B. Road, Waghbil**  
**Naka, Thane (W), Thane, 400607,**  
**Maharashtra, INDIA**

Dear Sir,

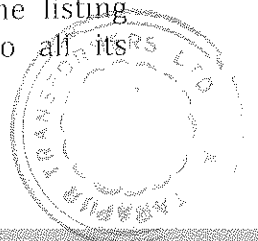
**Sub: You're Appointment as an Independent Director of  
Tarapur Transformers Limited (the "Company")**

We thank you for your confirmation to Tarapur Transformers Limited (the "Company") that you meet the "independence" criteria as envisaged in Section 149 (6) of the Companies Act, 2013 ("The Act") [and Clause 49 of the Listing Agreement as amended vide circular issued by Securities and Exchange Board of India ref no. CIR/ CFD/ POLICYCELL/ 2/ 2014 dated April 17, 2014 and effective from October 1, 2014] and also for your consenting to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to confirm that up on the recommendation of the Nominations Committee, the Board and the shareholders have approved your appointment as an Independent Director on the Board of the Company.

The terms of your appointment, asset out in this letter, are subject to the extant provisions of the (i) applicable laws, including 2013 Act and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA").

The Purpose of this letter is to inform you about the new provisions related to the Independent director (ID) introduced under the Companies Act, 2013 (The "Act") has specifically defined the roles, duties, liabilities and the manner of appointment of Independent Directors on the Board and various committee of the Company. The newly enacted Companies Act, 2013, and the recent amendments by SEBI to the listing agreement require that a Company should issue appointment letter to all its Independent Directors.





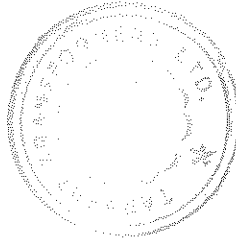
You have already been a member of the Board and have been performing your expected role. However, in fulfilment of the requirements of the revised law, we are pleased to issue this formal appointment letter to you. This letter will set out the terms of your appointment and your roles, duties, responsibilities and liabilities as an Independent Directors on the Board of Tarapur Transformers Limited.

Kindly return the duplicate copy of this letter, and the terms of appointment enclosed herewith, duly signed by you in confirmation.

We look forward to your continued support and guidance.

Thanking You,  
**For and Behalf of**  
**Tarapur Transformers Limited**

*Rajendra Kumar Choudhary*  
**Rajendra Kumar Choudhary**  
**Director**  
**Din: 00494663**



**Encl: As above**

### **Terms of appointment as an Independent Director:**

On behalf of the Company I write to confirm your appointment as an Independent Non Executive Director of the Tarapur Transformers Limited (the "Company"), as per the provision of the Companies Act, 2013 with effect from 29<sup>th</sup> September, 2014. Here are the terms set out below of your appointment:

#### **TERM OF OFFICE:**

Your appointment as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years starting from 29<sup>th</sup> September, 2014 up to 28<sup>th</sup> September, 2019 and not liable to retire by rotation as per the provision of the Companies Act, 2013 and Listing Agreement.

Your appointment is subject to the provision of the Companies Act, 2013 regarding appointment, fees, expenses, retirement, disqualification and removal of directors. You may cease to hold office as a director.

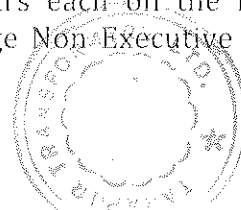
At any time you resign by written notice. It is desirable that you give the Board members reasonable forewarning of your intention to resign or to not seek re-appointment where that is possible so that Tarapur Transformers Limited can plan for succession of skills and experience on the Board, and you may be required to vacate office for any reason pursuant to any of the provision of the Companies Act, 2013; or

You may be removed as a director or otherwise required to vacate office under any applicable law and under the article of association of the Company.

Your performance as an independent director will be reviewed during your tenure with the Company in accordance with the processes agreed by the Board from time to time. You agree to participate in such reviews.

#### **1. Appointment:**

- a. You will be appointed as a Non-Executive Independent Director on the Board of Directors of Tarapur Transformers Limited with effect from 29/09/2014. Your appointment is subject to approval of the Board of Directors, election and appointment by the Shareholders as per under the provisions of the Companies Act, 2013. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing Agreement.
- b. The term Independent Director should be construed as defined under the Companies Act, 2013 and the listing agreement.
- c. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non-Executive Independent



Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

**2. Committees:**

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

**3. 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. The Board meets at least Four times in a year. The Audit Committee also meets at least Four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee and Stakeholders' Relationship Committee meetings which are ordinarily convened. 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. Ordinarily, all meetings are held in Mumbai;
- 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.

**4. Role and Duties:**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- i. You shall act in accordance with the Company's Articles of Association.
- ii. You 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 interest of the Company.
- iii. You shall discharge your duties with due and reasonable care, skill and diligence.
- iv. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. You shall not assign your office as Director and any assignments so made shall be void.



In addition to the above requirements applicable to all directors, the role of the Non-Executive Director has the following key elements:

**Strategy:**

Non-Executive Directors should constructively challenge and help develop proposals on strategy.

**Performance:**

Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives.

**Risk:**

Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.

**People:**

Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.

**Reporting:**

Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of Tarapur Transformers Limited.

**Compliance:**

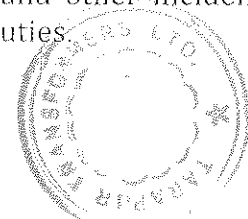
Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Tarapur Transformers Limited practices to accepted norms.

**5. Status of Appointment:**

- a. You will not be an employee of the Company and this letter shall not constitute a contract of employment. 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.
- b. The Non-Executive Directors, who continuously serve minimum two terms of five years each.

**6. Reimbursement of Expenses:**

In addition to the remuneration described in paragraph 5 the Company will, for 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.



**7. Conflict of Interest:**

- a. 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.
- b. 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 judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

**8. Confidentiality:**

All information acquired during your appointment is confidential to Tarapur Transformers Limited and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by Tarapur Transformers Limited. Your attention is also drawn to the requirements under the applicable regulations and the Tarapur Transformers Limited Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of Tarapur Transformers Limited. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

**9. Induction:**

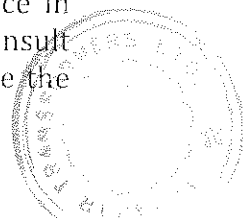
Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management and site visits. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

**10. Evaluation:**

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process.

**11. 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.



## **12. 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.

## **13. Termination:**


- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. 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.

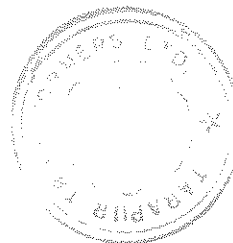
## **14. Governing Law:**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts. If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of Tarapur Transformers Limited, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

**For and Behalf of  
Tarapur Transformers Limited**

  
**Rajendra Kumar Choudhary**  
Director  
Din: 00494663



**Dated: 29/09/2014**