

# PEOPLES INVESTMENTS LIMITED

*Registered Office :*

NEW HIND HOUSE, 3, NAROTTAMMORARJEEMARG, BALLARD ESTATE, MUMBAI – 400 001

March 25, 2015

To,  
**Shri R. Prabhudesai**  
401, Malhari Sadan,  
Ajmal Road,  
Vile Parle (East),  
Mumbai 400057

Dear Sir,

We are pleased to inform you that the Board of Directors at its Meeting held on March 25, 2015 has approved your appointment as an Independent Director of the Company pursuant to the Companies Act, 2013 subject to approval of shareholders at the General Meeting.

As required under the Companies Act, 2013, your appointment is being formalized through this letter.

## **Appointment:**

Your appointment is for a consecutive period of 5 years with effect from March 25, 2015. This tenure is subject to your meeting the criteria for being an Independent Director, and not being disqualified to be a Director under the applicable laws i.e. Companies Act, 2013, as may be amended from time to time.

## **Role, functions and duties:**

Your role, functions, duties and liabilities will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 as may be amended from time to time. You are expected to abide by the same.

You are required to make disclosure of your interest as per the requirements of Section 184 of Companies Act, 2013 and not to participate in the meeting of the Board where any contract or any arrangement in which you are interested is discussed.

You may be nominated on one or more Committees of the Board of Directors and in such event you will be provided with the relevant Committee's terms of reference and any specific responsibilities.

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## **Code of Business Ethics:**

You are expected to follow the code of Business Ethics as mentioned in Annexure I hereto.

## **Evaluation Processes:**

As a member of the Board, your performance as well as the performance of entire Board and its Committees shall be evaluated annually. Evaluation of each Director shall be done by all the other Directors.

## **Conflict of Interest :**

By accepting this appointment you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Board of Directors.

As an Independent Director you shall not engage in any activity/ies that is not expected from you as an Independent Director.

## **Induction and Training:**

The Company will conduct a formal induction program to provide suitable training to Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The Independent Directors will be encouraged to attend special training courses, if required, to perform their role in highest standards and to continually update their skills and knowledge.

## **Remuneration:**

You will be entitled to remuneration in accordance with the criteria, as may be approved by the Board of Directors/Nomination and Remuneration Committee / Shareholders at their meeting within the applicable provisions of the Companies Act, 2013. You will be entitled to reimbursement of expenses for attending the meetings of the Board or Committees as may be decided by the Board of Directors. The remuneration and fee payable, if any, shall be subject to applicable tax deductions at source.

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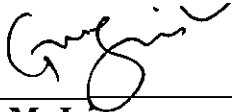
NEW HIND HOUSE, 3, NAROTTAMMORARJEEMARG, BALLARD ESTATE, MUMBAI – 400 001

## **Governing Law:**

This letter 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.

Yours sincerely,

**For and on behalf of Peoples Investments Limited,**



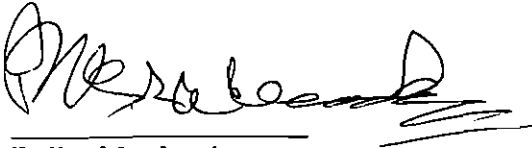
**G. M. Jain**

**Director**

DIN: [01444677]

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I consent and acknowledge.



**R. Prabhudesai**

DIN:[07095983]

Encl: Annexure – I

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## Annexure – I

### CODE FOR INDEPENDENT DIRECTORS

This is to inform you that in terms of the Companies Act, 2013 and Listing Agreement to the extent applicable and SEBI Guidelines, it is mandatory for all Independent Directors to adhere with the Code of Conduct of the Company.

The said Code has been prescribed under Schedule IV of the Companies Act, 2013 and the same is reproduced hereinbelow for your perusal and ready reference :-

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 *bonafide* manner in the interest of the company;
- (4) devote sufficient time and attention to your 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 you as 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;

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- (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 transaction 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;

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- (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.

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- (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.