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Date:06/10/2014

To,
Mr. Sandeep Lalwani,
254- Sindh Co.Op. Housing Society
Aundh, Pune 411 007.

Subject: Appointment as an independent Director

Dear Sir,

You are acting as Independent Director of the Company with effect from 8th November,2011.However, to align with the requirements of section 149 of the Companies Act, 2013 read with Schedule IV, you are appointed as Independent Director of the Company for a term up to 31st March, 2019. You shall be eligible for reappointment for another one term of maximum 5 consecutive years on passing of a special resolution by the Company.

Further, we are pleased to confirm that the Shareholders of the Company have appointed you as an Independent Director at the twenty second annual general meeting held on 6th October, 2014 and your terms and conditions of the appointment are given below. Please note that this is not a contract of employment. The terms and conditions of the appointment, which shall be subject to the Articles of Association of the Company, are set out below:

1. Terms of appointment:

- i. Your appointment as an independent Director is for a period of five years up to 31st March, 2019.
- ii. Your appointment shall not be subject to rotation as per the provisions of sub-section (6) of Section 152 of Companies Act, 2013.

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iii. Your appointment as Independent Director of the Company was based, inter alia, on declaration by you that you comply with the conditions of independence as listed in Section 149 (6) of the Act read with relevant rules, and the Listing Agreement. If there is any change in circumstances affecting your independence, you are required to immediately let the Board of Directors ('Board') know of the same, in terms of Section 149 (7) of the Act.

iv. Your appointment will terminate automatically on the expiry of the term of appointment as above, or if you vacate your office in terms of Section 167 of the Act. There is no compensation for termination of office in any circumstance.

2. Expectation of the Board :

As an independent Director you will :

- i. help in bringing an independent judgment on the issue of strategy, performance, risk management, resources, key appointment and standard of conduct.
- ii. bring an objective view in the evaluation of the performance of board and management
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance
- iv. satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;



viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

ix. act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company, its employees, the shareholders, the community and for the protection of environment.

x. will exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

xi. will not involve 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.

xii. will not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates and if you are found guilty of making any undue gain, you be liable to pay an amount equal to that gain to the Company.

3. Duties as independent director:

As an independent Director you will:

1. Undertake appropriate induction and regularly update and refresh your 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 you are a member;

4. participate constructively and actively in the committees of the Board in which you are chairman/ chairperson or members;

5. strive to attend the general meetings of the company;



6. where you 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 yourself 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 yourself 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 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
 12. 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.
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4. You have also been appointed as member of audit committee and nomination & remuneration committee.
 5. You will observe fiduciary duties along with liabilities as independent director.
 6. You will follow the code of business ethics.



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7. You will not do the business as this company is doing at present without the written permission of this company.

Regards,

Yours sincerely

For AXTEL INDUSTRIES LTD.


AJAY PARIKH
Executive Director