



SURYA ROSHNI LIMITED

AN ISO-9001 : 2000 COMPANY

LIGHTING DIVISION CIN - L31501HR1973PLC007543

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**Shri Krishan Kumar Narula
(Independent Director)**

Dear Shri Narula,

SUBJECT: APPOINTMENT OF INDEPENDENT DIRECTOR

I am pleased to inform you that upon the recommendations of the Nomination and Remuneration Committee, the Board of Directors ("the Board") of Surya Roshni Limited has approved your appointment as an independent director of the Company. This letter sets out the terms of your appointment.

Appointment

- In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board till 4th September, 2019. Your appointment is approved by the shareholders at the Annual General Meeting of the Company held on 5th September, 2014.
- At the first meeting of the Board in which you will participate as a director and thereafter 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 of independent director, a declaration will required to be give that you meets the criteria of independence as provided in Companies Act, 2013.
- Maximum number of companies in which you can serve as an independent director be restricted to 7 and 3 in case you are serving as a whole time director in a listed Company.

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CFL, BULBS & TUBES

- In Compliance with the provisions of section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation
- Notwithstanding, other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013
- Upon termination or upon your resignation for any reasons, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

Board Committees

As advised by the Board, during the tenure of office, you may be required to serve on one or more committees of the Board established by the Company or any such committee that is set up in the future. Currently the Board has five Committees : Audit Committee, Stakeholders Grievance Committee, Nomination and Remuneration Committee, Committee of Directors and Corporate Social Responsibility Committee. As a Non- Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussion and to help provide the Board with effective leadership in relation to the Company's strategy performance and risk management.

Training of the Board

Independent director shall attend an orientation program as and when organised. Presentations will be made by executive directors / senior managerial personnel / outside consultants. The presentation will cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the Company and help the inductees understand the Company strategy, operations service and product offerings and risk management.



Presence at Annual General Meeting

If you would be appointed as a chairman of the Audit committee you will required to be present at the Annual General Meeting to answer the shareholder/s queries. Further, in case, if your appointment is made as a chairman of Nomination and Remuneration Committee and Stakeholders Relationship Committee, you and in case of your absence, any other member of the committee authorised by you in your behalf will attend the general meetings of the company.

Professional Conduct

As an independent Director, you shall :

- uphold ethical standards of integrity and probity
- act objectively and constructively while exercising your duties
- exercise your responsibility in a bonafide manner in the interest of the Company.
- Devote sufficient time and attention to your professional obligations for informed and balanced decision-making.
- Not allow any extraneous considerations that will vitiate your exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making.
- Not abuse your 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.
- Refrain from any action that could lead to a loss of your independence.
- Ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly.
- Assist the company in implementing the best corporate governance practices.



Role and Duties

Your role as an Independent director will be following.

- help in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy , performance, risk management , resources, key appointments and standards of conduct.
- bring an objective view in the evaluation of the performance of board and management.
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of the performance.
- satisfy yourself on the integrity of financial information and that financial controls and the system of risk management are robust and defensible.
- safeguard the interest of all stakeholders, particularly the minority shareholders.
- balance the conflicting interest of the stakeholders
- 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
- moderate and arbitrate in the interest of the company as a whole , in situations of conflict between management and shareholder's interest.

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

- You shall act in accordance with the Company's Articles of association as may be amended from time to time.
- 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.
- Undertake appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company.



- You should 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.
- You should attend all meetings of the Board of Directors and of the Board Committees of which you are a member.
- Actively and constructively participate in the Board Committees of which you are a member.
- You should strive to attend the general meetings of the Company.
- Where there are concerns about the running of the company or a proposed action, ensure that they are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting.
- You should keep yourself informed about the company and the external environment in which we operate..
- Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.
- Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and also assure yourself that the same are in the interest of the Company.
- Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use.
- Report, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- Acting within your authority , assist in protecting the legitimate interest of the company, shareholders and its employees.
- Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

Status of Appointment

- 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 sitting fees for meetings of the Board and its Committees as may be decided by the Board.



- The sitting fees presently paid to the Non- Executive Independent Director is Rs. 20,000/- per meeting of the Board or a Committee thereof.
- You will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme.

Reimbursement of Expenses

In addition to the remuneration described above, 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.

Conflict of Interest

It is accepted and acknowledged that you may have business interest other than those of the Company. As a condition to your appointment, you are required to declare any such directorship, appointments and interests to the Board in writing in the prescribed form at the time of your appointment / at the time of any change / and every year.

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 judgement that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

Mechanism for evaluating Board Members

The Chairperson of the Nomination and Remuneration Committee conducts an annual Board evaluation and a peer evaluation survey to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria. Performance is measured against commitments and best-in-class benchmarks.



Dealing in shares and Code of Conduct

Directors are **prohibited** from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy / sell / gift) from the Compliance officer of the Company. You are requested to comply with the Company's Code of Conduct and ethics.

Code of Conduct

During the appointment you are required to comply with the regulations as contained in Schedule IV of the Companies Act, 2013 as amended time to time

Publication of the letter of appointment

In line with provisions of clause IV sub clause 6 of Schedule IV under Companies act, 2013, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

Technology

- Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings.
- Otherwise then for item which cannot be conducted in meetings held through video conferencing, you may attend the board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act, 2013.



- In case you intend to participate through video conferencing or audio visual means you should communicate your intention to the Chairperson or the company secretary of the company; however, you shall give prior intimation to that effect sufficiently in advance so that company is able to make suitable arrangements in this behalf.
- You may intimate your intention of participation through the electronic mode at the beginning of the calendar year and such declaration shall be valid for one calendar year. In the absence of any intimation it shall be assumed that you shall attend the meeting in person.

Termination

- 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. In terms of the provisions of the Companies Act, 2013, you are requested to file a copy of your resignation letter with the Registrar of Companies, Delhi & Haryana.
- Continuation to your appointment is contingent on your getting re-elected by the shareholders in accordance with the 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.
- 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.

Separate Meeting

- 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. You shall strive to be present at such meeting.



- Collectively the independent directors in the meeting shall, inter-alia:
 - i. review the performance of non-independent directors and the Board as a whole;
 - ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - iii. 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.

Liability

As an independent director you will be 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.

General

Other provisions as applicable on Directors shall be applicable on you subject to the provisions of Companies Law, Listing agreement and other statutory laws as the case may be.

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with the laws in India, and the parties agree to submit to the exclusive jurisdiction of the courts of Delhi

Please confirm your agreement to the above by signing and returning the enclosed duplicate of this letter.



