

ALOK INDUSTRIES LIMITED

Peninsula Business Park, Tower B, 2nd & 3rd Floor, Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400 013. Tel.: 91 22 6178 7000 Fax : 91 22 6178 7118



Date: 29th May, 2015

To
Mr. Surinder Kumar Bhoan
401, Jhulelal,
16th Road,
Khar West,
Mumbai- 400052

Dear Sir,

Sub: Appointment as an Independent Director of Alok Industries Limited

We are pleased to advise you that the Board of Directors have appointed you as an Additional Non- Executive Independent Director of the Company to hold office for five consecutive years from 30th March, 2015 upto 29th March, 2020, subject to the approval of the members at the ensuing Annual General Meeting.

A. Preliminary

Your appointment is subject to the following:

- i) During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.
- ii) So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a chairman or committee member will not exceed the limit specified under the Act and the Listing Agreement.
- iii) So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
- iv) You will ensure compliance with other provisions of the Act and the Listing Agreement as applicable to you as an Independent Director.

B. Term

Your appointment is for a term of Five years commencing from 30th March, 2015 upto 29th March, 2020.



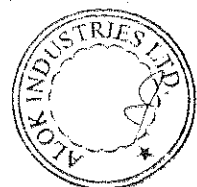
C. Committees

You have been appointed on the following Committees of the Board:

- i) Audit Committee
- ii) Nomination & Remuneration Committee
- iii) Corporate Social Responsibility (CSR Committee)

D. Code of Conduct and Duties and Responsibilities

- i) You will abide by the Alok Industries Limited Code of Conduct Applicable to Non- Executive Directors and business principles to the extent applicable to an Independent Director of the Company as set out separately in Annexure-1.
- ii) You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2012, as set out at Annexure -2 hereto.
- iii) You will not hold office as a Director or any other office in a competing firm/entity.
- iv) You are expected to stay updated on how best to discharge your roles, responsibilities and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
- v) You are expected to:
 - a) take decisions objectively and solely in the interests of the Company;
 - b) facilitate Company's adherence to high standards of ethics and corporate behavior;
 - c) Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - d) Guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - e) Guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular systems for risk management, financial and operational control and compliance with the law and relevant standards.



E. Performance Evaluation

Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board, pursuant to a performance evaluation carried out by the Board.

F. Remuneration

- i) All though Company is not providing any remuneration to its Non Executive Directors, in case in future company changes its policy you will be entitled to the remuneration as determined by the Board.
- ii) Pursuant to applicable law, you will not be entitled to any stock options if given in near future.
- iii) you will be entitled to reimbursement of expenses incurred by you in connection with attending the Board Meetings, Board Committee Meetings, General Meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out- of-pocket expenses.

G. Training

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.



H. Miscellaneous

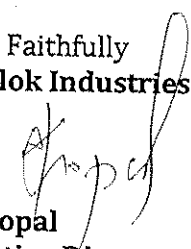
You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports etc, client information.

You shall use reasonable efforts to keep confidential and not to disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible with the prior consent of the Board.

Confirm your acceptance by signing, dating and returning a copy of this letter to the Company.

Yours Faithfully
For Alok Industries Limited



K.H.Gopal
Executive Director &
Secretary

Agreed and Accepted



Mr. Surinder Kumar Bhoan

ANNEXURE -1

CODE OF ETHICS AND BUSINESS PRINCIPLES APPLICABLE TO NON-EXECUTIVE DIRECTORS

1. RATIONALE

- 1.1 The Securities Exchange Board of India (SEBI) has come out with additional guidelines on Corporate Governance by revising Clause 49 of the Listing agreement.
- 1.2 The Company's Code of Conduct for Directors and Senior Management (the "Code") is framed as a part of maintaining and promoting the business conducts and adhering to the standards of Corporate Governance.

2. INTERPRETATION

- 2.1 'Board' shall mean Board of Directors of the Company.
- 2.2 'Non-Executive Director' shall mean those members of the Board who are not in whole time employment of the Company.
- 2.3 'Independent Director' shall mean a Director as defined in Clause 49 of the Listing Agreement.
- 2.4 'Senior Management' shall mean personnel of the Company who are members of the top management (excluding Board of Directors) and shall include General Managers, Deputy General Managers, Assistant General Managers and the Compliance Officer
- 2.5 'Compliance Officer' shall mean any person responsible for all statutory and legal compliances besides providing services to the shareholders.

3. APPLICABILITY

The Code is applicable to the following persons:

- Chairman and Managing Director
- Other Directors, who are members of the Board of the Company, including non-executive and independent directors
- General Managers, Sr. Presidents, Presidents, Deputy General Managers, Vice Presidents, Assistant General Managers, Assistant Vice Presidents
- Compliance Officer



4. COMPLIANCE WITH CODE OF CONDUCT

- 4.1 The Directors and Senior Management, as mentioned above are expected to read and understand this Code, act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrongdoing and abide by the code of conduct of the Company and other policies and procedures adopted by the company that govern the conduct of its Directors and Senior Management.
- 4.2 Nothing in this Code shall constitute or be construed to constitute a contract of employment for a definite term or a guarantee of continued employment.
- 4.3 The Code should be read in conjunction with the policies of the respective business unit.
- 4.4 The responsibility to familiarize with the policies and procedures shall rest with the Directors and Senior Management to whom the code applies.

5. GENERAL STANDARDS

5.1 Mutual Respect, Honesty and Integrity

- 5.1.1 The Directors and Senior Management shall conduct the operations with honesty, integrity and openness with respect for the human rights and interests of the employees.
- 5.1.2 The Directors and Senior Management shall similarly respect the legitimate interests of those with whom they have relationships both internal and external to the company.

5.2 Corporate Business Opportunities

In carrying out their duties and responsibilities, the Directors and the Senior Management should avoid:

- i. appropriating corporate business opportunities for themselves that are discovered through the use of Company property or information or their position as Directors or part of Senior Management
- ii. using company property or information for personal gain
- iii. competing with the Company

5.3 Conflict of Interest

The Directors and Senior Management are expected to avoid personal activities and financial interests, which could conflict with their responsibilities to the company. Examples of such conflicts of interest include:



i. **Employment / Outside Employment -**

The Directors and Senior Management are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. The Senior Management should not accept simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position.

ii. **Related Parties**

The Senior Management should avoid conducting the business with the relative, or with a business in which a relative is associated in any significant role. Relative includes spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws. The Company prohibits the employment of such individuals in positions that have a financial dependence or influence (eg., an auditing or control relationship), or a supervisor/subordinate relationship.

iii. **Payment or Gift from Others -**

- a. Under no circumstances the Senior Management may accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from current and prospective customers, vendors, consultants etc that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud.
- b. Gifts may be accepted in the form of non cash items of nominal value, customary and reasonable meals and entertainment at which the giver is present, such as the occasional business meal or sporting event and gifts from family or friends with whom the Senior Management have non business relationship.

iv. **Other Situations**

If any proposed transaction gives rise to any questions or doubts, Senior Management must consult the Chairman and Managing Director.

5.4 Disclosures and Reporting

- 5.4.1 The Senior Management will seek to promote fair, accurate, timely and understandable disclosure in the reports and documents filed or submitted to regulatory bodies and circulated to shareholders.
- 5.4.2 The Company seeks to provide disclosure to the investing community that is not only in conformity with applicable rules of the regulatory bodies, but also fairly presents to the investors and the public the financial condition and results of operations of the Company.



5.5 Compliance with Laws, Rules and Regulations

The Senior Management is expected to -

- i. Acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers
- ii. Comply with all applicable and identified laws, rules and regulations.

5.6 Insider Trading

The Directors and Senior Management should observe all applicable laws and regulations including the Company policies and Codes as applicable to them with respect to the purchase and sale of the Company's securities.

5.7 Maintaining Confidentiality

The Senior Management shall take all reasonable measures to protect the confidentiality of non-public information about the Company or its subsidiaries and their customers obtained or created in connection with their activities and to prevent the unauthorized disclosure of such information unless required by applicable law or regulation or legal or regulatory process.

6. AMENDMENTS AND WAIVERS

- 6.1 The Company reserves the right to amend, waive or alter the policies set forth in the Code at any time.
- 6.2 Any amendment to the Code or waiver of any of the provision of the Code requires prior approval of the Board.

7. ACKNOWLEDGEMENT AND ANNUAL CERTIFICATIONS

- 7.1 Every person to whom the code applies should sign the acknowledgement form at the end of this Code and return the form to the Compliance Officer indicating that they have received, read and understood, and agree to comply with the Code.
- 7.2 Every person to whom the code applies shall also certify in writing or such prescribed means, his or her continued understanding of this Code before 30th April every year.
- 7.3 The signed acknowledgement forms and Annual Certifications will be maintained by the Compliance Officer.



8. VIOLATION OF THE CODE

- 8.1 Actual violations of law, this Code or other Company policies or procedure should be promptly reported to the Chairman and Managing Director or the Compliance Officer of the Company.
- 8.2 The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard.



ANNEXURE -2

SCHEDULE IV

CODE FOR INDEPENDENT DIRECTORS

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 *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his 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 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;



- (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 control 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 transactions 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;

(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.
- (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.

For Alok Industries Ltd.


K.R. Gopal
Executive Director & Secretary

