



# STAR DELTA TRANSFORMERS LTD.

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Date: March 11<sup>th</sup>, 2019

To,

Mrs. Shalini Mathur,  
G-31, Fortune Glory E-8 Extension Arera  
Colony, Bhopal, Trilanga Bhopal

Dear Madam,

We thank you very much for giving your consent to act as an Independent Director on the Board of Star Delta Transformers Limited. The matter of your appointment was considered at the Board of Directors meeting held on March 11<sup>th</sup>, 2019.

We welcome you as a Non-Executive Women Independent Director on the Board of Directors of Star Delta Transformers Limited with effect from March 11<sup>th</sup>, 2019 i.e. date of obtaining DIN No. from Ministry of Corporate affairs.

We further, wish to state that you have been appointed as an Additional Director in terms of Section 161 of the Companies Act, 2013 to hold the office up to the date of next general meeting. Thereafter at the Annual General Meeting with Shareholders' permission, regular appointment will be made.

## **A. Preliminary:**

Your appointment is subject to the Following:

1. 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.
2. 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 stipulated under the Act and the Listing Agreement.
3. 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.
4. You will ensure compliance with other provisions of the Act and the listing Agreement as applicable to you as an Independent Director.
5. As an Independent Director you will not be liable to retire by rotation.

**B. Term of appointment:**

1. You have been appointed as Non-Executive Women Independent Director for a period of 5 years commencing from March 11<sup>th</sup>, 2019 till March 10<sup>th</sup>, 2024 Subject to the approval in next Annual General Meeting.
2. you have been appointed as an Additional Director in terms of Section 161 of the Companies Act, 2013 to hold the office up to the date of next general meeting. Thereafter at the Annual General Meeting with Shareholders' permission, regular appointment will be made.

**C. Code of Conduct and Rules and Responsibilities**

1. You will abide by the Code of Conduct as uploaded on the Company's website under Code of Conduct Section.
2. 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, 2013, as set out at Annexure-I hereto.
3. You will not hold office as a Director or any other office in a competing firm/entity.
4. 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.

You are expected to:

- (i) take decisions objectively and solely in the interests of the Company;
- (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
- (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- (iv) guide the Board in monitoring and managing potential conflicts of including misuse of corporate assets and abuse in related party transactions; the Company's
- (v) guide the Board in ensuring the integrity of 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.

**D. 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.

**E. Remuneration**

1. Your annual remuneration will be as under:

(a) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and

(b) commission that may be determined by the Board payable at the end of each financial year will be based on the performance of the Company and your performance evaluated by the Board of Directors

2. 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.

3. Pursuant to applicable law, you will not be entitled to any stock options.

## **F. 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.

## **G. COMMITTEES:**

The Board of Directors may request you to be part of one or more existing committees and the appointment by the Board in such committees which may be found in future. Currently, the Company is having following committees.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

## **H. Termination**

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. If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, you fail to meet the criteria for "independence" under the provisions of Clause 49 of the Listing Agreement, you agree to promptly submit your resignation to the Company with effect from the date of such change.

## **I. Miscellaneous**

1. 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, intellectual property rights (including trade secrets), ("Confidential Information").

You shall use reasonable efforts to keep confidential and to not 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.

Kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours faithfully,



Kishore Gupta

(DIN: 00014205)

Chairman & Managing Director



**Agreed and accepted**

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.



Mrs. Shalini Mathur

(Din: 08386168.)

## **Annexure 1**

### **Guidelines of professional conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013)**

#### **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 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 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) act within their 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.