



POKARNA LIMITED

Letter of Appointment

Mr. Mahender Chand
DIN: 00008449
Independent Director
Pokarna Limited

Sub: Appointment as an Independent Director of Pokarna Limited (the "Company").

On behalf of the Company, I am pleased to inform you about your re- appointment as an Independent Director of the Company vide resolution passed by the Members of the Company at the Annual General Meeting held on 15th September, 2014 at Hotel Vivanta, by Taj, Begumpet, Hyderabad, with effect from 15th September, 2014 to 31st March, 2019. The terms of the appointment, which shall, in any event be subject to the Articles of Association of the Company and as per provisions of Companies Act, 2013, are set out below.

Terms of Appointment

1. Your appointment as a Non - Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
2. In compliance with provisions of section 149 of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
3. 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.
4. Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.
5. As a Non- Executive Independent Director you are expected to bring objectivity and independence on view to the Board's discussions and to help provide the

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Board with effective Leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four times in a year. The Audit Committee also generally meets at least four times in a year. Besides, there is Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee, which is ordinarily convened as per requirements. You will be expected to attend Board and Board Committees to which you are appointed and in Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

6. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations for your role to the satisfaction of the Board.

Status of Appointment

1. 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 and/or by way commission as may be decided by the Board.
2. You will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

Evaluation

The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. Your appointment and re appointment on the Board shall be subject to the outcome of the yearly evaluation process.

Disclosure of Interest

Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and update our records. A general notice that you are interested in any contract with a particular person, firm or company is acceptable.

Code of Conduct

During the appointment you are required to comply with regulations as contained in Schedule IV under Companies Act, 2013 along with codes of conduct and sexual harassment policy of the Company as enclosed.

Membership of Committees

Following are the details of your present memberships of various committees of the Board:

S. No.	Name of the Committee	Designation
1.	Audit Committee	Member
2.	Nomination & Remuneration Committee	Member

The Board of Directors may appoint you as a Member/ Chairman of any other Committees apart from those mentioned above, subject to your consent for the same.

Terms of reference or the responsibilities of the Board Committees shall be as specified under Companies Act, 2013 read with Clause 49 of the Listing Agreement.

Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Publication of the letter of appointment

In line with provision 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.

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

For M/s. Pokarna Limited



**Gautam Chand Jain
Chairman & Managing Director**

I have read and agreed to the above terms regarding my appointment as an Independent Director.



**Mahender Chand
DIN: 00008449**

Independent Director
Pokarna Limited

Dated: 15th September, 2014

Place: Secunderabad

CODE OF CONDUCT FOR DIRECTOR'S AND SENIOR MANAGEMENT OF

M/S. POKARNA LIMITED

1. Use due care and diligence in performing their duties of office and in exercising their powers attached to that office.
2. Act honestly and use their powers of office, in good faith and in the best interests of pokarna as a whole.
3. Not make improper use of information nor take improper advantage of their position Director.
4. Not allow personal interests to conflict with the interests of pokarna.
5. Recognize that their primary responsibility is to protect the interest of all stakeholders of Pokarna.
6. Not engage in conduct likely to bring discredit upon Pokarna.
7. Be independent in judgment and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.
8. Ensure the confidentiality of information they receive whilst being in office of Director and is only disclosed if authorised by the company or the person from whom the information is provided, or as required by law.
9. In addition to the above, all the Independent Directors of the Company need to fulfill the duties prescribed under the Clause III of Schedule IV of the Companies Act, 2013”.

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**CODE FOR INDEPENDENT DIRECTORS
(AS PER SCHEDULE IV OF COMPANIES ACT, 2013)**

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 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) 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 there under and that the proposed director is independent of the management
- (4) The appointment of independent directors shall be formalized 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

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Sexual harassment policy of M/s. Pokarna Limited

1. OBJECTIVE:

Pokarna Limited (“Pokarna” or “Company”) is committed to creating and maintaining a secure work environment where it’s Employees can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation caused by acts of Sexual Harassment within but not limited to the office premises and other locations directly related to the Company’s business.

The objective of this policy is to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith All concerned should take cognizance of the fact that Pokarna strongly opposes sexual harassment, and that such behavior against women is prohibited by the law as set down in The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder being the The Sexual Harassment of Women at Workplace (hereinafter referred to as “Act”) as well as the terms of employment. Commission of any act of sexual harassment as defined in the Act and in this Policy shall result in strict disciplinary action.

At Pokarna, we have zero-tolerance for sexual harassment. We value each and every employee working with us and wish to protect their dignity and self-respect. In doing so, we are determined to promote a working environment in which persons of both genders complement each other as equals in an environment that encourages maximum productivity and to keep the personal dignity.

We at Pokarna are committed towards giving every employee a just and fair hearing on issues encountered by them at the workplace with special attention to sexual harassment. Pokarna will take very serious disciplinary action against any victimization of the employee who is complaining or the alleged harasser that may result from a complaint.

2. SCOPE:

Pokarna’s Policy with regard to Prevention, Prohibition and Redressal of Sexual Harassment covers every “employee” across the Company. Pokarna encourages every employee who believes they are sexually harassed to use the redressal mechanism as provided in this policy. The Policy is with respect to Prevention, Prohibition & Redressal of Sexual Harassment which may arise in places not limited to geographical location viz. Company’s factories / quarries but includes all such places or locations where acts are conducted in context of working relationships or whilst fulfilling professional duties or which may be visited by an employee during the course of employment including transportation provided by the company for undertaking such visit. Pokarna’s Policy against sexual harassment includes

sexual harassment by fellow employees, supervisors, managers as well as agents, contractors, customers, vendors, partners and, visitors including outsource employees. Any place visited by the employee arising out of or during the course of employment including transportation provided by the employer for undertaking such journey.

Sexual harassment is judged by the impact on the complainant and not the intent of the Respondent. Sexual harassment as addressed in this Policy need not necessarily be from a male to a female employee, it can be vice versa as well as between individuals of same gender.

This Policy comes into force with immediate effect.

3. DEFINITION

- a. "Aggrieved Person" means a person in relation to work place whether employed or not, who alleges to have been subject to any act of sexual harassment by the Respondent.
- b. "Company" means Pokarna Limited.
- c. "employee" means a person employed at a workplace for any work on regular, temporary, ad hoc or daily wages basis, either directly or through an agent, including a contractor, with or, without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis or otherwise, whether the terms of employment are express or implied and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name;
- d. "Internal Complaints Committee" means a committee constituted by Company as per this Policy.
- e. "Respondent" means a person against whom the aggrieved person has made a complaint.
- f. "Sexual Harassment" includes any one or more of the following unwelcome acts or behavior (whether directly or by implication) such as:
 - i. Physical contact and advances; or
 - ii. A demand or request for sexual favors; or
 - iii. Making Sexually colored remarks; or
 - iv. Showing pornography or other offensive or derogatory pictures, cartoons, representations, graphics, pamphlets or sayings; or
 - vi. Any other unwelcome physical, verbal or non - verbal conduct of sexual nature; or
 - vii. Following circumstances amongst other circumstances mentioned above may constitute sexual harassment if it occurs or is present in relation or connected with any act or behavior of sexual harassment:

- 1) implied or explicit promise of preferential treatment in their employment;
- 2) implied or explicit threat of detrimental treatment in their employment;
- 3) implied or explicit threat about their present or future employment status;
- 4) interfering with their work or creating an intimidating or offensive or hostile work environment; humiliation treatment likely to affect their health or safety.
- 5) humiliating treatment likely to affect the health and safety of the aggrieved person.
- 6) In addition to the instances mentioned hereinabove, any other acts or behavior, which outrages the modesty of a female employee, will be considered as sexual harassment.

g. "workplace" includes any department, organization, undertaking, establishment, enterprise institution, office or branch unit . Any place visited by the employee arising out of or during the course of employment including transportation provided by the employer for undertaking such journey.

4. INTERNAL COMPLAINTS COMMITTEE

Every complaint received shall be forwarded to internal complaint committee formed under the policy for redressal. The investigation shall be carried out by Internal Complaints Committee constituted for this purpose. Internal Complaints Committee has been constituted of the following members as nominated by the Company:

- a. A woman employee employed at a senior level amongst the employees shall act as Presiding officer of the committee.
- b. Not less than 2 members from amongst employees preferably committed to the cause of women OR who have had experience in social work OR have legal knowledge.
- c. One member shall be from amongst Non-governmental organizations OR associations committed to the cause of women OR a person familiar with the issues relating to sexual harassment

5. COMPLAINT REDRESSAL MECHANISM

- a) Any aggrieved person may make, in writing, a complaint of sexual harassment at workplace to the committee giving details of the sexual harassment meted out to her/him within a period of 3 months from the date of incident and in case of a series of incidents, within a period of 3 months from the date of last incident, which may be extended for a further period of 3 months, if circumstances warrant such extension in the opinion of the Internal Complaints Committee
- b) The Presiding Officer or any Member of the Internal Complaints Committee can render reasonable assistance to the person for making complaint in writing, in case they are unable to do so.

- c) On receipt of complaint, the Internal Complaint Committee shall decide the place and time for hearing the complaint and shall intimate the date, time and place of hearing to the Complainant and Respondent. The Internal Complaints Committee shall follow principle of Natural Justice while handling such complaints.
- d) Where the aggrieved person is unable to make a complaint on account of their physical incapacity, a complaint may be filed by-
- I. a relative or friend; or
 - II. a co-worker; or
 - III. an officer of the National Commission for Women or State Women's Commission; or
 - IV. any person who has knowledge of the incident, with the written consent of the aggrieved person.
- e) Where the aggrieved person is unable to make a complaint on account of their mental incapacity, a complaint may be filed by:
- I. a relative or friend; or
 - II. a special educator' or
 - III. a qualified psychiatrist or psychologist; or
 - IV. the guardian or authority under whose care they are receiving treatment or care; or
 - V. any person who has knowledge of the incident jointly with any of the above.
- f) Where the aggrieved person for any other reason is unable to make a complaint, a complaint may be filed by any person who has knowledge of the incident, with their written consent.
- g) Where the aggrieved person is dead, a complaint may be filed by any person who has knowledge of the incident, with the written consent of their legal heir.
- h) Internal Complaints Committee on receipt of such written complaint, may, if require ask the aggrieved person to furnish additional information about the alleged harassment.
- i) The Complainant or person authorized on their behalf as per above provision, shall make a complaint to the Internal Complaints Committee along with supporting documents and names and address of witness shall be sent to Internal Complaints Committee at ethics@pokarna.com. Copy of this email should also be marked to board@pokarna.com so that all Board of Directors are also informed about the Complaint.
- j) On receipt of such complaint, Internal Complaints Committee shall provide a copy along with supporting documents of such complaints to the Respondent within 7 working days
- k) Respondent shall file reply within 10 working days of receipt of the complaint along with list of documents, names and addresses of witnesses

- l) Internal Complaint Committee shall investigate in detail into the matter of the complaint. The Internal Complaint committee shall have the right to call the person against whom the complaint is made or any other witnesses as when necessary.
- m) Internal Complaint Committee shall have the right to terminate the enquiry or give ex-parte decision on the complaint, if the Respondent or complainant remains absent for 3 consecutive hearings, without sufficient cause.
- n) The Internal Committee must complete its investigation within a period 90 days.
- o) The parties shall not be allowed to bring any legal practitioner to represent them in their case at any stage of the proceedings before the Internal Complaints Committee.
- p) For conducting the enquiry the quorum of the Internal Complaints Committee shall be of 3 members including the presiding officer.
- q) The Internal Committee may before initiating an inquiry, and at the aggrieved person's request, attempt to settle the matter through conciliation. However, Internal Complaints Committee shall ensure that:
- I. Monetary settlement will not be made as a basis of conciliation.
 - II. Where a settlement has been arrived, the settlement terms shall be signed by both the parties and shall be provided with a copy of it. Where, a settlement is arrived as mentioned hereinabove, no further enquiry shall be conducted by the Internal Complaints Committee.
- r) The Internal Complaints Committee may during such investigation may exercise the power of a civil court, vested in it, in respect of:
- I. summoning and enforcing the attendance of any person and examining him under oath;
 - II. requiring discovery and production of documents;
 - III. any other prescribed matter.
- s) During such enquiry, upon written request by the aggrieved person, the committee may at its discretion recommend:
- I. to transfer the aggrieved person or the respondent to any other workplace;
 - II. grant leave to the aggrieved person of up to three months which is in addition to leave to which she is otherwise entitled.
 - III. Provided, the aggrieved person has to tender justified reason for such transfer or leave, such as threat to work in the workplace.

6. ACTION

- a) The Committee shall on completion of the enquiry provide a report of its findings within 10 days from the date of completion of the enquiry and such report shall be made available to the concerned parties.
- b) If the allegation against the respondent has not been proved, the Committee may recommend that no action needs to be taken in the matter.
- c) If the Internal Complaints Committee arrives at the conclusion that the allegation against the respondent has been proved, it shall recommend to:
 - I. Take action for sexual harassment as a misconduct.
 - II. To tender written apology to the complainant, issue warning, withholding of promotions / increments of the Respondent, terminating the Respondent.
 - III. To deduct from salary / wages of the respondent or issue direction for payment; such sum as it may consider appropriate to be paid to the aggrieved person or to their legal heirs, as it may determine.
- d) Such action will be taken within 60 days of the receipt of report.

7. AWARENESS

- a) All the Employees and Visitors shall have access to this Policy at any given point of time and clarification related to this Policy shall be addressed by the HR team.
- b) A brief shall be given to all existing employees regarding the features of this Policy immediately on formulation of the Policy and to new employees in Pokarna during their initial Induction.
- c) The Company shall comply with all other details as set out under Section 19 of the Act to ensure that all employees are provided with the safe working environment at the workplace.
- d) Company shall display the notice showing the name of the Internal Complaints Committee members at its every establishment at a conspicuous place.

8. FALSE ACCUSATIONS

- a) The complaint of sexual harassment made by any employee shall be taken up with utmost seriousness by Company. However, there shall be zero tolerance for any false accusation.
- b) If the Internal Complaint Committee comes to a conclusion that the allegation was made with malicious intent or the aggrieved person or any other person making the complaint on behalf of the aggrieved person produced false or forged or misleading documents to prove his/her case, the Internal Complaint Committee may recommend action to be taken against

the person who has made the complaint, including termination of service. In such a case, malicious intent has to be established after an inquiry, before any action is recommended. A mere inability to substantiate a complaint or provide adequate proof would not attract action as provided herein. A similar recommendation for taking action would be recommended against any witness whom the Internal Complaint Committee concludes, that he/she has given false evidence or produced forged or misleading documents.

c) It is to be noted that this statement is not intended to discourage employees from coming forward with any complaints. Pokarna recognizes and expects that some claims may be difficult to prove or support, or may not in fact be found to raise to the level of seriousness deemed necessary to constitute Sexual Harassment. These types of complaints will not be considered to be false accusations.

9. MISCELLANEOUS

a) Company may make any alteration or amendment or rescind any of the clauses of this Policy as and when it finds it necessary to do so as long as it complies with the Act. Any such alterations or amendment or rescinding will be intimated to the employee.

b) Nothing contained in these rules shall operate in derogation of any law for the time being in force or to the prejudice of any right of any employee under any other Rules or Law.

10. CONCLUSION

a) Complaints relating to Sexual Harassment shall be handled and investigations will be conducted under the principles of natural justice, basis of fundamental fairness, in an impartial and confidential manner so as to protect the identity of all viz., the person bringing the charge, potential witnesses, and the person accused of improper behavior. Also, all efforts shall be taken to ensure objectivity and thoroughness throughout the process of investigation.

b) The identity and address of the aggrieved person, respondent and witnesses must not be published or disclosed to the public or media.

c) The decision of Company shall be final and binding on all. However, the same is without prejudice to any recourse that Company or the individual concerned may have against the respondent and it shall not limit or restrict the rights of the Complainant and/or Company to pursue, nor shall they be precluded from pursuing, such further and other legal actions as may be available.

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