



September 04, 2019

M.R. SIVARAMAN
DIRECTOR
NO.2 LUZ AVENUE
SARASWATHI APARTMENTS MYLAPORE
CHENNAI – 600 004

Dear Shri M.R. SIVARAMAN

We thank you for your consent to hold office as a Director of TANFAC INDUSTRIES LIMITED and your confirmation about your meeting the independence criteria as envisaged under The Companies Act, 2013.

We are pleased to confirm that the Board at their meeting held on 22nd May, 2019 and the Shareholders at their Annual General Meeting held on 04th September, 2019, have approved your appointment as the Independent Director (Non Executive) on the Board of Directors (“**Board**”) of **TANFAC INDUSTRIES LIMITED** (“**the Company**”).

This letter of appointment sets out terms and conditions covering your appointment which are as follows:

1. Appointment

- 1.1. Your term of appointment as an Independent Director on the Board will be effective from 01st April 2020 to 31st March 2025.

Your appointment shall be governed by the provisions of the Companies Act, 2013 and rules framed there under (“**Act**”) and SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015. **Your re-appointment at the end of Term would be subject to outcome of your performance evaluation, your willingness to continue as an Independent Director and the approval of the shareholders of the Company.**

- 1.2. We are pleased to inform you that the Board has inducted you as a member Audit Committee of the Board. From time to time, the Board may invite you for being appointed on one or more Board Committees.

- 1.3. As an Independent Director, you are expected to bring objectivity and independence of view to the Board’s [and Board Committees] discussions and to help provide the 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. You are also expected to observe and comply with applicable law, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to your directorship and the business of the Company.

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TANFAC INDUSTRIES LIMITED

(Joint Sector Company with TIDCO)

Regd. Office & Factory: No. 14, Sipcot Industrial Complex,
Cuddalore- 607 005,

Tel: 91-4142-239001-5; Fax : 91-4142-239008



2. Role Functions and Duties

Your role and duties will be those normally required of an Independent Director under applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Regulation 17 of SEBI LODR 2015.

2.1. Role and Functions

As an Independent Director and a member of the Board you will be responsible for some tasks individually and some collectively with other Directors. Accordingly you are expected to :

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise 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) collectively 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; and
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

2.2. Your Duties

As an Independent Director you will:

- (i) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (ii) 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;
- (iii) strive to attend all meetings of the Board and of the Committees of which you are a member;
- (iv) attend meeting(s) of the independent directors of the Company to:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b)

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- (c) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and
- (v) 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;
- (vi) participate constructively and actively in the any Committees in which you are a chairperson or member;
- (vii) strive to attend the general meetings of the Company;
- (viii) 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 your concerns are recorded in the minutes of the Board meeting;
- (ix) keep yourself well informed about the Company and the external environment in which it operates;
- (x) not to unfairly obstruct the functioning of an otherwise proper Board or Committee;
- (xi) 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;
- (xii) 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;
- (xiii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (xiv) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- (xv) 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.

In addition to the above, your conduct will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act (refer Annexure-A), the duties of directors as set out under Section 166 of the Act [and the duties and responsibilities as set out under the Listing Regulations 2015. The aforementioned guidelines for professional conduct and duties and responsibilities of directors shall be deemed to be incorporated into this letter of appointment and shall form an integral part of this letter.

3. Remuneration and Reimbursement of Expenses

- 3.1. You will be paid sitting fees for meetings of the Board and its Committees (in which you are a member) as may be decided by the Board from time to time in compliance with applicable law(s). Currently the Company pays ₹40,000/- (Rupees Forty Thousand only) as the sitting

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fees for each meeting of the Board and Audit Committee and ₹20,000/- towards other Committee meetings thereof, attended by the Independent Director.

- 3.2. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant your remuneration shall be borne solely by you.
- 3.3. 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 as a director of the Company.

4. Conflict of Interest

- 4.1. It is accepted and acknowledged that you may have directorship/ business interests other than those of the Company. As a condition precedent to your appointment commencing, you are required to declare your directorships, appointments and interests to the Board in writing in the prescribed form. Thereafter, you need to make additional/ fresh disclosures whenever there is a change or potential change in your disclosed interest and also before commencement of each financial year. Additionally, you shall also give an annual declaration that you meet all the criteria for independence as specified in Section 149 of the Act.
- 4.2. 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.
- 4.3. The Company is required to include in its annual accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest 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 our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

5. Other Terms and Conditions

5.1. Evaluation

- 5.2. The performance evaluation of every Director, including your self will be conducted on an annual basis, based on the parameters and guidelines as framed by the Nomination and Remuneration Committee and approved by the Board.

5.3. Separation

- (i) 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 stating out the reason for resignation.
- (ii) At the end of Term, and in case you are not re-appointed by the shareholders of the Company, you will not be entitled to any additional compensation with regard to your separation.
- (iii) Your appointment may terminate or cease in accordance with applicable law, including the Act, the Listing Agreement and the provisions of the articles of association of the Company from time to time in force.

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6. 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 by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company. As a director, you are subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). You would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time).

6.1. Liability

Any acts of omission or commission resulting in material damage to the Company which can be directly attributed to you, you will be personally liable in accordance to the applicable law.

7. Miscellaneous

- 7.1. Your appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Regulation.
- 7.2. You will not be an employee of the Company and this letter shall not constitute a contract of employment.

8. Contact Person

Shri N.R. Ravichandran, CFO - Vice president (Fin. & Comcl.) and Compliance Officer, (Email Id: ravichandran.r@adityabirla.com; Phone No.04142-239001 to 239005) shall remain in regular touch with you to provide all required clarifications/information, as you may require relating to the Company.

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

Yours sincerely,
For and on behalf of TANFAC INDUSTRIES LIMITED

Sd/-

DIRECTOR

I hereby acknowledge receipt of and accept the terms set out in this letter.

M.R. SIVARAMAN

Signed : Sd/-

Dated : 05th September 2019

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TANFAC

Annexure –A: Guidelines for 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;
6. exercise 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;
7. 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;
8. refrain from any action that would lead to loss of his independence; where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; and
9. assist the company in implementing the best corporate governance practices.

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September 04, 2019

Shri V.T. Moorthy
Oxford Centre, First Floor
66, C.P. Ramaswamy Road, Alwarpet
CHENNAI – 600 018.
Shri V.T. Moorthy

Dear Shri V.T. Moorthy

We thank you for your consent to hold office as a Director of TANFAC INDUSTRIES LIMITED and your confirmation about your meeting the independence criteria as envisaged under The Companies Act, 2013.

We are pleased to confirm that the Board at their meeting held on 22nd May, 2019 and the Shareholders at their Annual General Meeting held on 04th September, 2019, have approved your appointment as the Independent Director (Non Executive) on the Board of Directors (“**Board**”) of **TANFAC INDUSTRIES LIMITED** (“**the Company**”).

This letter of appointment sets out terms and conditions covering your appointment which are as follows:

9. Appointment

- 9.1. Your term of appointment as an Independent Director on the Board will be effective from 01st April 2020 to 31st March 2025.

Your appointment shall be governed by the provisions of the Companies Act, 2013 and rules framed there under (“**Act**”) and SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015. **Your re-appointment at the end of Term would be subject to outcome of your performance evaluation, your willingness to continue as an Independent Director and the approval of the shareholders of the Company.**

- 9.2. We are pleased to inform you that the Board has inducted you as a member Audit Committee of the Board. From time to time, the Board may invite you for being appointed on one or more Board Committees.

- 9.3. As an Independent Director, you are expected to bring objectivity and independence of view to the Board’s [and Board Committees] discussions and to help provide the 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. You are also expected to observe and comply with applicable law, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to your directorship and the business of the Company.

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TANFAC

10. Role Functions and Duties

Your role and duties will be those normally required of an Independent Director under applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Regulation 17 of SEBI LODR 2015.

10.1. Role and Functions

As an Independent Director and a member of the Board you will be responsible for some tasks individually and some collectively with other Directors. Accordingly you are expected to :

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise 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) collectively 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; and
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

10.2. Your Duties

As an Independent Director you will:

- (xvi) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (xvii) 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;

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- (xviii) strive to attend all meetings of the Board and of the Committees of which you are a member;
- (xix) attend meeting(s) of the independent directors of the Company to:
 - (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; and
- (xx) 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;
- (xxi) participate constructively and actively in the any Committees in which you are a chairperson or member;
- (xxii) strive to attend the general meetings of the Company;
- (xxiii) 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 your concerns are recorded in the minutes of the Board meeting;
- (xxiv) keep yourself well informed about the Company and the external environment in which it operates;
- (xxv) not to unfairly obstruct the functioning of an otherwise proper Board or Committee;
- (xxvi) 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;
- (xxvii) 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;
- (xxviii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (xxix) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- (xxx) 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.

In addition to the above, your conduct will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act (refer Annexure-A), the duties of directors as set out under Section 166 of the Act [and the duties and responsibilities as set out under the Listing Regulations 2015. The aforementioned guidelines for professional conduct and duties and responsibilities of directors shall be deemed to be incorporated into this letter of appointment and shall form an integral part of this letter.

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11. Remuneration and Reimbursement of Expenses

- 11.1. You will be paid sitting fees for meetings of the Board and its Committees (in which you are a member) as may be decided by the Board from time to time in compliance with applicable law(s). Currently the Company pays ₹40,000/- (Rupees Forty Thousand only) as the sitting fees for each meeting of the Board and Audit Committee and ₹20,000/- towards other Committee meetings thereof, attended by the Independent Director.
- 11.2. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant your remuneration shall be borne solely by you.
- 11.3. 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 as a director of the Company.

12. Conflict of Interest

- 12.1. It is accepted and acknowledged that you may have directorship/ business interests other than those of the Company. As a condition precedent to your appointment commencing, you are required to declare your directorships, appointments and interests to the Board in writing in the prescribed form. Thereafter, you need to make additional/ fresh disclosures whenever there is a change or potential change in your disclosed interest and also before commencement of each financial year. Additionally, you shall also give an annual declaration that you meet all the criteria for independence as specified in Section 149 of the Act.
- 12.2. 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.
- 12.3. The Company is required to include in its annual accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest 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 our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

13. Other Terms and Conditions

13.1. Evaluation

- 13.2. The performance evaluation of every Director, including your self will be conducted on an annual basis, based on the parameters and guidelines as framed by the Nomination and Remuneration Committee and approved by the Board.

13.3. Separation

- (i) 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 stating out the reason for resignation.
- (ii) At the end of Term, and in case you are not re-appointed by the shareholders of the Company, you will not be entitled to any additional compensation with regard to your separation.

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(iii) Your appointment may terminate or cease in accordance with applicable law, including the Act, the Listing Agreement and the provisions of the articles of association of the Company from time to time in force.

14. 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 by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company. As a director, you are subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). You would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time).

14.1. Liability

Any acts of omission or commission resulting in material damage to the Company which can be directly attributed to you, you will be personally liable in accordance to the applicable law.

15. Miscellaneous

15.1. Your appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Regulation.

15.2. You will not be an employee of the Company and this letter shall not constitute a contract of employment.

16. Contact Person

Shri N.R. Ravichandran, CFO - Vice president (Fin. & Comcl.) and Compliance Officer, (Email Id: ravichandran.r@adityabirla.com; Phone No.04142-239001 to 239005) shall remain in regular touch with you to provide all required clarifications/information, as you may require relating to the Company.

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

Yours sincerely,
For and on behalf of TANFAC INDUSTRIES LIMITED
Sd/-

DIRECTOR

I hereby acknowledge receipt of and accept the terms set out in this letter.

V.T. Moorthy

Signed : Sd/-

Dated : 05th September 2019

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+ **Annexure –A: Guidelines for Professional Conduct**

An independent director shall:

10. uphold ethical standards of integrity and probity;
11. act objectively and constructively while exercising his duties;
12. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
13. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
14. not allow any extraneous considerations that will vitiate his exercise of objective;
15. exercise 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;
16. 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;
17. refrain from any action that would lead to loss of his independence; where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; and
18. assist the company in implementing the best corporate governance practices.

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September 04, 2019

Dr. Shankar Narasimhan
B-7 Lake View Road
IIT Madras
Chennai – 600 036

Dear Dr. Shankar Narasimhan

We thank you for your consent to hold office as a Director of TANFAC INDUSTRIES LIMITED and your confirmation about your meeting the independence criteria as envisaged under The Companies Act, 2013.

We are pleased to confirm that the Board at their meeting held on 22nd May, 2019 and the Shareholders at their Annual General Meeting held on 04th September, 2019, have approved your appointment as the Independent Director (Non Executive) on the Board of Directors ("**Board**") of **TANFAC INDUSTRIES LIMITED** ("**the Company**").

This letter of appointment sets out terms and conditions covering your appointment which are as follows:

17. Appointment

- 17.1. Your term of appointment as an Independent Director on the Board will be effective from 01st April 2020 to 31st March 2025.

Your appointment shall be governed by the provisions of the Companies Act, 2013 and rules framed there under ("**Act**") and SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015. **Your re-appointment at the end of Term would be subject to outcome of your performance evaluation, your willingness to continue as an Independent Director and the approval of the shareholders of the Company.**

- 17.2. We are pleased to inform you that the Board has inducted you as a member Audit Committee of the Board. From time to time, the Board may invite you for being appointed on one or more Board Committees.

- 17.3. As an Independent Director, you are expected to bring objectivity and independence of view to the Board's [and Board Committees] discussions and to help provide the 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. You are also expected to observe and comply with applicable law, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to your directorship and the business of the Company.

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18. Role Functions and Duties

Your role and duties will be those normally required of an Independent Director under applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Regulation 17 of SEBI LODR 2015.

18.1. Role and Functions

As an Independent Director and a member of the Board you will be responsible for some tasks individually and some collectively with other Directors. Accordingly you are expected to :

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise 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) collectively 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; and
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

18.2. Your Duties

As an Independent Director you will:

- (xxxix) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (xxxixii) 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;
- (xxxixiii) strive to attend all meetings of the Board and of the Committees of which you are a member;
- (xxxixiv) attend meeting(s) of the independent directors of the Company to:
 - (a) review the performance of non-independent directors and the Board as a whole;

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- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and
- (xxxv) 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;
- (xxxvi) participate constructively and actively in the any Committees in which you are a chairperson or member;
- (xxxvii) strive to attend the general meetings of the Company;
- (xxxviii) 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 your concerns are recorded in the minutes of the Board meeting;
- (xxxix) keep yourself well informed about the Company and the external environment in which it operates;
- (xl) not to unfairly obstruct the functioning of an otherwise proper Board or Committee;
- (xli) 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;
- (xlii) 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;
- (xliii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (xliv) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- (xlv) 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.

In addition to the above, your conduct will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act (refer Annexure-A), the duties of directors as set out under Section 166 of the Act [and the duties and responsibilities as set out under the Listing Regulations 2015. The aforementioned guidelines for professional conduct and duties and responsibilities of directors shall be deemed to be incorporated into this letter of appointment and shall form an integral part of this letter.

19. Remuneration and Reimbursement of Expenses

- 19.1. You will be paid sitting fees for meetings of the Board and its Committees (in which you are a member) as may be decided by the Board from time to time in compliance with applicable law(s). Currently the Company pays ₹40,000/- (Rupees Forty Thousand only) as the sitting fees for each meeting of the Board and Audit Committee and ₹20,000/- towards other Committee meetings thereof, attended by the Independent Director.

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- 19.2. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant your remuneration shall be borne solely by you.
- 19.3. 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 as a director of the Company.

20. Conflict of Interest

- 20.1. It is accepted and acknowledged that you may have directorship/ business interests other than those of the Company. As a condition precedent to your appointment commencing, you are required to declare your directorships, appointments and interests to the Board in writing in the prescribed form. Thereafter, you need to make additional/ fresh disclosures whenever there is a change or potential change in your disclosed interest and also before commencement of each financial year. Additionally, you shall also give an annual declaration that you meet all the criteria for independence as specified in Section 149 of the Act.
- 20.2. 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.
- 20.3. The Company is required to include in its annual accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest 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 our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

21. Other Terms and Conditions

21.1. Evaluation

- 21.2. The performance evaluation of every Director, including your self will be conducted on an annual basis, based on the parameters and guidelines as framed by the Nomination and Remuneration Committee and approved by the Board.

21.3. Separation

- (i) 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 stating out the reason for resignation.
- (ii) At the end of Term, and in case you are not re-appointed by the shareholders of the Company, you will not be entitled to any additional compensation with regard to your separation.
- (iii) Your appointment may terminate or cease in accordance with applicable law, including the Act, the Listing Agreement and the provisions of the articles of association of the Company from time to time in force.

(iv)

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22. 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 by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company. As a director, you are subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). You would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time).

22.1. Liability

Any acts of omission or commission resulting in material damage to the Company which can be directly attributed to you, you will be personally liable in accordance to the applicable law.

23. Miscellaneous

- 23.1. Your appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Regulation.
- 23.2. You will not be an employee of the Company and this letter shall not constitute a contract of employment.

24. Contact Person

Shri N.R. Ravichandran, CFO - Vice president (Fin. & Comcl.) and Compliance Officer, (Email Id: ravichandran.r@adityabirla.com; Phone No.04142-239001 to 239005) shall remain in regular touch with you to provide all required clarifications/information, as you may require relating to the Company.

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

Yours sincerely,
For and on behalf of TANFAC INDUSTRIES LIMITED

Sd/-

DIRECTOR

I hereby acknowledge receipt of and accept the terms set out in this letter.

Dr. Shankar Narasimhan

Signed : Sd/-

Dated : 05th September 2019

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+ **Annexure –A: Guidelines for Professional Conduct**

An independent director shall:

19. uphold ethical standards of integrity and probity;
20. act objectively and constructively while exercising his duties;
21. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
22. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
23. not allow any extraneous considerations that will vitiate his exercise of objective;
24. exercise 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;
25. 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;
26. refrain from any action that would lead to loss of his independence; where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; and
27. assist the company in implementing the best corporate governance practices.

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September 04, 2019

Smt. R. Rajalakshmi
Old No.11, New No.23,
KasturiRanga Road,Alwarpet,
Chennai – 600 018

Dear Smt. R. Rajalakshmi

We thank you for your consent to hold office as a Director of TANFAC INDUSTRIES LIMITED and your confirmation about your meeting the independence criteria as envisaged under The Companies Act, 2013.

We are pleased to confirm that the Board at their meeting held on 22nd May, 2019 and the Shareholders at their Annual General Meeting held on 04th September, 2019, have approved your appointment as the Independent Director (Non Executive) on the Board of Directors ("**Board**") of **TANFAC INDUSTRIES LIMITED** ("**the Company**").

This letter of appointment sets out terms and conditions covering your appointment which are as follows:

25. Appointment

- 25.1. Your term of appointment as an Independent Director on the Board will be effective from 25th March 2020 to 24th March 2025.

Your appointment shall be governed by the provisions of the Companies Act, 2013 and rules framed there under ("**Act**") and SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015. **Your re-appointment at the end of Term would be subject to outcome of your performance evaluation, your willingness to continue as an Independent Director and the approval of the shareholders of the Company.**

- 25.2. We are pleased to inform you that the Board has inducted you as a member Audit Committee of the Board. From time to time, the Board may invite you for being appointed on one or more Board Committees.

- 25.3. As an Independent Director, you are expected to bring objectivity and independence of view to the Board's [and Board Committees] discussions and to help provide the 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. You are also expected to observe and comply with applicable law, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to your directorship and the business of the Company.

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26. Role Functions and Duties

Your role and duties will be those normally required of an Independent Director under applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Regulation 17 of SEBI LODR 2015.

26.1. Role and Functions

As an Independent Director and a member of the Board you will be responsible for some tasks individually and some collectively with other Directors. Accordingly you are expected to :

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise 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) collectively 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; and
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

26.2. Your Duties

As an Independent Director you will:

- (xlvii) undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- (xlviii) 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;
- (xlix) strive to attend all meetings of the Board and of the Committees of which you are a member;
- (xli) attend meeting(s) of the independent directors of the Company to:
 - (a) review the performance of non-independent directors and the Board as a whole;

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- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and
- (l) 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;
- (li) participate constructively and actively in the any Committees in which you are a chairperson or member;
- (lii) strive to attend the general meetings of the Company;
- (liii) 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 your concerns are recorded in the minutes of the Board meeting;
- (liv) keep yourself well informed about the Company and the external environment in which it operates;
- (lv) not to unfairly obstruct the functioning of an otherwise proper Board or Committee;
- (lvi) 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;
- (lvii) 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;
- (lviii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (lix) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- (lx) 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.

In addition to the above, your conduct will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act (refer Annexure-A), the duties of directors as set out under Section 166 of the Act [and the duties and responsibilities as set out under the Listing Regulations 2015. The aforementioned guidelines for professional conduct and duties and responsibilities of directors shall be deemed to be incorporated into this letter of appointment and shall form an integral part of this letter.

27. Remuneration and Reimbursement of Expenses

- 27.1. You will be paid sitting fees for meetings of the Board and its Committees (in which you are a member) as may be decided by the Board from time to time in compliance with applicable law(s). Currently the Company pays ₹40,000/- (Rupees Forty Thousand only) as the sitting fees for each meeting of the Board and Audit Committee and ₹20,000/- towards other Committee meetings thereof, attended by the Independent Director.

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27.2. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant your remuneration shall be borne solely by you.

27.3. 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 as a director of the Company.

28. Conflict of Interest

28.1. It is accepted and acknowledged that you may have directorship/ business interests other than those of the Company. As a condition precedent to your appointment commencing, you are required to declare your directorships, appointments and interests to the Board in writing in the prescribed form. Thereafter, you need to make additional/ fresh disclosures whenever there is a change or potential change in your disclosed interest and also before commencement of each financial year. Additionally, you shall also give an annual declaration that you meet all the criteria for independence as specified in Section 149 of the Act.

28.2. 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.

28.3. The Company is required to include in its annual accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest 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 our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

29. Other Terms and Conditions

29.1. Evaluation

29.2. The performance evaluation of every Director, including your self will be conducted on an annual basis, based on the parameters and guidelines as framed by the Nomination and Remuneration Committee and approved by the Board.

29.3. Separation

(i) 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 stating out the reason for resignation.

(ii) At the end of Term, and in case you are not re-appointed by the shareholders of the Company, you will not be entitled to any additional compensation with regard to your separation.

(iii) Your appointment may terminate or cease in accordance with applicable law, including the Act, the Listing Agreement and the provisions of the articles of association of the Company from time to time in force.

30. Confidentiality

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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 by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company. As a director, you are subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). You would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time).

30.1. Liability

Any acts of omission or commission resulting in material damage to the Company which can be directly attributed to you, you will be personally liable in accordance to the applicable law.

31. Miscellaneous

31.1. Your appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Regulation.

31.2. You will not be an employee of the Company and this letter shall not constitute a contract of employment.

32. Contact Person

Shri N.R. Ravichandran, CFO - Vice president (Fin. & Comcl.) and Compliance Officer, (Email Id: ravichandran.r@adityabirla.com; Phone No.04142-239001 to 239005) shall remain in regular touch with you to provide all required clarifications/information, as you may require relating to the Company.

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

Yours sincerely,
For and on behalf of TANFAC INDUSTRIES LIMITED

Sd/-

DIRECTOR

I hereby acknowledge receipt of and accept the terms set out in this letter.

Smt. R. Rajalakshmi

Signed : Sd/-

Dated : 05th September 2019

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+ **Annexure –A: Guidelines for Professional Conduct**

An independent director shall:

28. uphold ethical standards of integrity and probity;
29. act objectively and constructively while exercising his duties;
30. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
31. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
32. not allow any extraneous considerations that will vitiate his exercise of objective;
33. exercise 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;
34. 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;
35. refrain from any action that would lead to loss of his independence; where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly; and
36. assist the company in implementing the best corporate governance practices.

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