

# EKAM LEASING AND FINANCE CO. LIMITED

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REGD OFFICE: No. 11, Rani Jhansi Road, (Motia Khan), M M Road, New Delhi -110055 Tel No. : 011-23528015 Fax No. : 011-23528015  
E-mail : ekam.leasing1@gmail.com, info@ekamleasing.com, Website : www.ekamleasing.com  
CIN No.: L74899DL1993PLC055697

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Date:

To,

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Dear Sir,

Sub: **LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR**

We thank you for your confirmation given to Ekam Leasing and Finance Co. Limited ("**Company**") stating that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 ("Act") and SEBI (LODR) to hold office as a director of the Company.

Pursuant to your confirmation, we are pleased to inform you that upon recommendation made by Nomination and Remuneration/Compensation Committee, the shareholders of the Company have at the \_\_\_\_\_ Annual General Meeting held on \_\_\_\_\_, approved your appointment as an 'Independent Director' of the Company for a period of five consecutive years in terms of provisions of Companies Act, 2013.

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an office-holder and shall not be construed as contract for employment in the Company.

## **1. Appointment**

Your appointment will be for an initial term up to 5 (five) years and shall take effect from \_\_\_\_\_, unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("**Term**").

As an Independent Director you will not be liable to retire by rotation. Your reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration /Compensation Committee and subject to the approval of the Board of Directors ("**Board**") and the Shareholders of the Company.

Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

At present you have been appointed as Chairman/ Member of the following Committees:

The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in future. Your appointment on such Committee(s) will be subject to the applicable provisions of the Act, the SEBI (LODR) and other applicable rules and regulations.

## **2. Role, Duties and Responsibilities**

As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which shall *inter-alia* shall include:

- Complying with the requirements prescribed under the Act,
- Responsibilities of the “Board” as outlined in the Corporate Governance requirements as prescribed under SEBI (LODR),
- Accountability under the Director’s Responsibility Statement,
- Overseeing the maintenance of high standards of Company’s values and ethical conduct of business,
- Overseeing the Company’s contribution to enhancing the quality of life of communities,

You shall abide by the ‘Code For Independent Directors’ as prescribed under Section 149(8) read with Schedule IV of the Act and also follow the duties of Directors as provided in the Act and SEBI (LODR).

You will also be responsible for providing guidance in the area of your expertise.

## **3. Time Commitment**

Considering the nature of the role of a Director, it is difficult for a Company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

#### **4. Remuneration**

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees as decided by the Board from time to time.

The sitting fees presently paid to the Non-Executive Director is ` \_\_\_\_\_ per meeting of the Board and ` \_\_\_\_\_ per meeting of the Committee thereof.

#### **5. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 4, the Company will, during your Term as Independent Director of the Company, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

#### **6. Code of Conduct**

You will at all times abide and comply with Company's "Code of Conduct for Directors and Senior Management". For your reference, the said Code of Conduct for Directors and Senior Management" is attached herewith as **Annexure A**.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, dealing in the securities of Ekam Leasing and Finance Co. Limited and compliances prescribed there under. Consequently you should avoid making any statements or performing any transactions that might breach these requirements without prior clearance from the Chief Executive Officer or the Secretary of the Company.

#### **7. Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Company. Consequent to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment and changes if any to the same from time to time.

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

By accepting this appointment, you are deemed to have confirmed that, any other position you hold including your directorships in other organizations, will not give rise to any 'conflicts of interest' in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during the Term of your appointment, you are expected to notify the same to both the Chairman and the Secretary.

## **8. Confidentiality**

All information relating to Company, acquired during your Term shall be confidential 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 Company.

## **9. Induction and Development**

The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management, as required from time to time.

The Company shall, as may be required, support Independent Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the entire Board.

## **10. Performance Appraisal / Evaluation Process**

As an Independent Director, your performance as well as the performance of the entire Board including the Chairman of the Board and the Committees of the Board, shall be evaluated annually. Evaluation of each Director shall be done by all the other Directors of the Company. The criteria for evaluation of Independent Directors shall be determined by the Nomination and Remuneration /Compensation Committee.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board.

An indicative list of factors that may be evaluated as part of this exercise is mentioned hereunder:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

#### **11. Termination**

Your Term as an Independent Director of the Company shall terminate or cease in accordance with provisions of the Act and the Articles of Association of the Company, as amended from time to time. You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

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 Act or, if applicable, you fail to meet the criteria for “independence” under the provisions of the SEBI (LODR) (as amended from time to time), you agree to promptly submit your resignation as Independent Director to the Company with effect from the date of such change.

Continuation of your appointment is contingent on your getting re-appointed by the shareholders in accordance with provisions of the Act. You will not be entitled to compensation if the Shareholders of the Company do not approve your reappointment at any time.

#### **12. Co-operation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

#### **13. Miscellaneous**

This letter represents the entire understanding, and constitutes the whole agreement, in relation to

your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

If you are willing to accept the terms of your appointment as a non executive Independent Director of Ekam Leasing and Finance Co. Limited as set out herein, kindly confirm your acceptance by signing and returning to us the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours sincerely

**For Ekam Leasing and Finance Co. Limited**

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Name:

Designation:

**AGREE AND ACCEPT**

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.

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Name:

Place:

Date:

## Annexure A

# CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Ekam leasing And Finance Co. Limited

## 1. PREAMBLE

1.1 This Code of Conduct (the **Code**) for all members of the Board and Senior Management Personnel of Ekam Leasing And Finance Co. Limited (the **Company**) is in alignment with the Company's vision and values and aims at enhancing ethical and transparent processes in managing the affairs of the Company.

1.2 The Code has been drafted specifically in accordance with the provisions of Clause 49 of the SEBI (LODR) entered into by the Company with the Bombay Stock Exchange Limited, Delhi Stock Exchange Limited and Ludhiana Stock Exchange.

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

**Board or Board of Directors** means the Board of Directors of the Company;

**Conflict of Interest** means a conflict or a difference between the interests or benefits of one person or entity with that of the Company;

**Director** means each member of the Board of Directors;

**Governmental Authority** means the government of any nation, state, city, locality or other political subdivision thereof or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

**Orders** mean any judgment, injunction, writ, award, decree or order of any nature of any Governmental Authority or competent court or tribunal;

**Relative** shall have the meaning given to it in the Companies Act, 1956, as amended;

**Senior Management Personnel** means

1. all Directors;
2. all Presidents and Executive Directors of the Company
3. all Senior General Managers and General Managers of the Company;
4. all employees of the rank of Manager and above in the Finance and Accounts ,Secretarial and Internal Audit function/department and
5. any other employee of the Company designated by the Board of Directors from time to time;

**Superior** means an officer of the Company to whom another officer of the Company reports.

### 2.2 Interpretation

(a) Terms used but not defined herein shall have the meaning assigned to them in the Companies Act, 1956 and in the SEBI (LODR)s.

(b) This code can be modified, amended or altered only by Board of Directors of the Company.

(c) Unless the context otherwise requires, all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders, and words importing the singular include the plural and vice versa.

## 3. Applicability

This Code shall be applicable to the Directors and the Senior Management Personnel.

## 4. Duties and Obligations

Each Director and each member of the Senior Management Personnel shall always act in the best interests of the Company and in accordance with the authority conferred upon him and shall, without prejudice to the foregoing, always:

- (a) act with the utmost care, skill, diligence and integrity;
- (b) act with the utmost good faith and fulfill his fiduciary obligations without allowing his independence of judgment to be compromised;
- (c) in the case of a member of Senior Management Personnel, unless permitted to do so by his Superior, abstain from taking, or participating in, any decision on a subject matter in which a Conflict of Interest arises or which, in his opinion, is likely to arise;
- (d) make disclosures to the Chairman and Managing Director of the Company in relation to all material financial and

commercial transactions where he has a personal interest that could conflict with the interest of the Company.

(e) without the prior approval of the Chairman and Managing Director of the Company and in accordance with law, abstain from entering into business with any of the following in his official capacity:

1. a relative;
2. a private limited company in which he or his relative is a member or a director;
3. a public limited company in which he or his relative holds 2% or more paid-up share capital; or
4. with a firm in which his relative is a partner.

(f) avoid acquiring any personal or financial interest in any business dealings concerning the Company;

(g) abstain from holding any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company;

(h) abstain from exploit for his own personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Chairman and Managing Director of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity;

(i) abstain from seeking or accepting, directly or indirectly, any gift from anyone that has business dealings with the Company;

(j) abstain from making any adverse criticism of any policy or action of the Government of India or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders; and

(k) abstain from committing any offence involving moral turpitude.

Provided that nothing in this clause shall apply to any statement made or views expressed by a Director or a member of Senior Management Personnel, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him or in execution of any Order of any Government Authority.

## **5. Compliance with Law**

Each Director and each member of the Senior Management Personnel shall comply with all laws, rules and regulations relating to the business of the Company.

## **6. Other Directorships**

6.1 Unless specifically permitted by the Chairman and Managing Director of the Company, each Director and each member of the Senior Management Personnel shall not serve as a director of any other company or as a partner of a firm that is engaged in a business that competes with the business of the Company or that of a company or firm with which the Company has a business relationship.

6.2 The restriction as stated in Clause 6.1 shall not apply to:

- (a) joint venture companies with management control vested in the Company; or
- (b) Subsidiary companies or Associates of the Company.

## **7. Related Party Disclosures**

Each Director and each member of the Senior Management Personnel shall make a complete disclosure of all related party transactions to the Chairman and Managing Director of the Company in accordance with Accounting Standard 18 (AS-18) issued by the Institute of Chartered Accountants of India (ICAI) and in format set out in Appendix I hereto.

## **8. Confidentiality of Information**

Any information concerning the Company's business to which a Director or a member of Senior Management Personnel has access or which is in his possession, must be considered confidential and held in confidence. No Director or a member of Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized by the Company.

Provided that a Director or a member of Senior Management Personnel can disclose such information which is:

- (a) part of the public domain at the time of disclosure;
- (b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Government of India or any other Governmental Authority.

## **9. Protection Of Assets**

The Directors and Senior Management Personnel shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

## **10. Amendments To The Code**

The provisions of this Code can be amended or modified by the Board of Directors of the Company from time to time and all such amendments or modifications shall take effect from the date stated therein.

## **11. Placement Of The Code On Website**

Pursuant to Clause 49 of the SEBI (LODR), this Code and any amendment thereto shall be hosted on the website of the Company.

## **12. Annual Compliance Reporting**

12.1 In accordance with Clause 49 of the SEBI (LODR), all Directors and Senior Management Personnel shall affirm compliance with this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman and Managing Director of the Company. A format of the Annual Compliance Report is set out in Appendix II.

12.2 The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company. If any Director or any member of Senior Management Personnel leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with the Company.



12.3 The Chairman and Managing Director of the Company and the Chief Financial Officer of the Company or any other person in charge of the finances of the Company shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Code.

**13. Enforcement Of Code Of Conduct**

Each Director and each member of the Senior Management Personnel shall be accountable for fully complying with this Code.

**14. Consequences Of Non- Compliance Of The Code**

Any Director or any member of the Senior Management Personnel that violate the Code will be subject to disciplinary action as may be decided by the Board.

**15. Acknowledgement Of Receipt Of The Code**

Each Director and each member of the Senior Management Personnel shall acknowledge receipt of this Code or any modifications thereto, in an acknowledgement form substantially similar to that in Appendix-III and shall forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code.

## APPENDIX I

### DISCLOSURE OF RELATED PARTY TRANSACTIONS

The Directors and Senior Management Personnel shall disclose the following, in respect of all transactions with related parties, as covered in AS-18 issued by ICAI:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion; and
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature :.....

Name :.....

Designation :.....

Date :.....

Place :.....

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Directors and Senior Management Personnel:

- purchases or sales of goods (finished or unfinished) ;
- purchases or sales of fixed assets;
- rendering or receiving of services;
- agency arrangements;
- leasing or hire purchase arrangements;
- Transfer of research and development;
- licence agreements;
- finance (including loans and equity contributions in cash or in kind);
- guarantees and collaterals ; and
- management contracts including for deputation of employees.

## APPENDIX-II

### ANNUAL COMPLIANCE REPORT

I, ....., do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31st March 200\_\_.

Signature :.....

Name :.....

Designation :.....

Date :.....

Place :.....

Note: To be submitted by 30th April each year.

APPENDIX-III

# ACKNOWLEDGEMENT FORM

I, ....., have received and read the CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL (the **Code**). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature:.....  
Name:.....  
Designation:.....  
Date:.....  
Place:.....