

September 27, 2019

Mr. Sanjiv N. Shah
B-9, Seaface Park
Bhulabhai Desai Road
Mumbai 400 028

Dear Sir,

Sub: Your Re-appointment as an Independent Director of Bharat Bijlee Limited

We are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee and the Board, your re-appointment as an Independent Director on the Board of Directors of **Bharat Bijlee Limited** ("BBL" or "the Company"), for a second term of five (5) consecutive years, commencing from September 9, 2019 to September 8, 2024, has been approved by the Board at their meeting held on July 25, 2019 and subsequently by the Shareholders of the Company at the 72nd Annual General Meeting held on Monday, September 9, 2019.

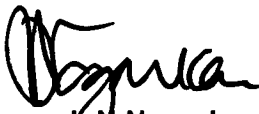
Further, your re-appointment shall be subject to the terms and conditions set out in the Annexure – I, forming part to this letter.

We welcome you to the Board of BBL and look forward to your continued support, advice and guidance.

Kindly sign the duplicate copy of this letter at the space provided below as acknowledgement of having received this Letter of Re-appointment and in token of your confirmation of the contents hereof and return the same to us.

Thanking you,

Yours faithfully,
For **Bharat Bijlee Limited**



Durgesh N. Nagarkar
Company Secretary & Senior General Manager: Legal

: 1 :

I hereby accept the terms of my re-appointment as stated in this letter:



Signature

Name: Sanjiv N. Shah

DIN: 00007211

Place: Mumbai

Date:

Following documents are enclosed for your perusal and ready reference:

1. Certified True Copy of the Special Resolution passed by the Shareholders;
2. Terms and conditions of re-appointment (Annexure – I);
3. Code of Conduct for Board of Directors (Annexure - II);
4. Guidelines of professional conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013) (Annexure - III);

A. PRELIMINARY

Your re-appointment is subject to the following:

1. The term "Independent Director" should be construed as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including amendments).
2. Your re-appointment and tenure as an Independent Director shall be in consistent with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including amendments)
3. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year or whenever there is any change in the circumstances which may affect your status as an independent director, under Section 149 (7) of the Companies Act, 2013 ("the Act") stating that you meet the criteria of Independence and a Disclosure of Interest in Form MBP-1.
4. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director / Independent Director or a Chairman or Committee Member, will not exceed the limit stipulated under the Act and the Listing Regulations.
5. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
6. Your relationship with the Company will be that of an office-holder and not one of contract for employment in the Company.

B. TERM

Your Appointment is for a second term of five (5) consecutive years takes effect from September 9, 2019 and shall be valid upto September 8, 2024, unless terminated earlier.

C. BOARD COMMITTEES

In addition to your role as an Independent Director, at present, you continue to hold positions in the following Committees of Board:

- i. Audit Committee (*Chairman*);
- ii. Nomination and Remuneration Committee (*Chairman*); and
- iii. Stakeholder Relationship Committee (*Member*)
- iv. Banking Committee (*Member*)

Further, the Board currently has five committees:

- Audit Committee,
- Nomination & Remuneration Committee,
- Stakeholders Relationship Committee,
- Corporate Social Responsibility Committee, and
- Banking Committee

The Board may, if it deems fit, subject to your consent, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations. By accepting this re-appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

The Chairperson of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the Committee Meetings. The quorum for meetings is either two Members of the Committee or one-third of the members of the Committee, whichever is higher.

D. CODE OF CONDUCT, DUTIES AND RESPONSIBILITIES

1. You will abide by the BBL's Code of Conduct applicable to Directors to the extent applicable to an Independent Director of the Company as set out separately in **Annexure-II**.
2. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Director outlined in Schedule IV of the Companies Act, 2013, as set out at **Annexure-III** hereto.
3. You will not hold office as a Director or any other office in a competing firm / entity.

4. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
5. You are expected :
 - (i) to act in accordance with the Company's Articles of Association
 - (ii) to take decisions objectively and solely in the interests of the Company;
 - (iii) to facilitate Company's adherence to high standards of ethics and corporate behavior;
 - (iv) to guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - (v) to guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - (v) to guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
 - (vi) In the event of any circumstances that may arise or is likely to arise, which may or may not create conflict of interest, but may lead to the Board to revise its judgment on your independency, such event should be disclosed to the Company immediately.
 - (vii) Not to assign director's office and any assignment so made shall be void.

E. PERFORMANCE EVALUATION

The Performance Evaluation of the Board as a whole, Various Committees of the Board and Individual Directors shall be conducted by the Board on an annual basis. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee. The outcome of performance evaluation shall be considered to determine whether to extend or continue the term of your appointment as an Independent Director.

F. REMUNERATION

1. Your annual remuneration will be as under:
 - (a) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and
 - (b) commission, if any, that may be determined by the Nomination & Remuneration Committee of the Board, payable at the end of each financial year will be based on the performance of the Company and your performance evaluated by the Board of Directors.
2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, General Meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
3. Pursuant to applicable laws, you will not be entitled to any stock options.

G. INSURANCE

1. The Company provides all its Directors with, and pays the premiums for, Directors and Officers insurance cover while acting in their capacities as Directors. The present amount of the Insurance cover is ₹ 50,00,00,000/. (Rupees Fifty crores only).
2. The copy of the policy can be furnished on request to the Company Secretary.

H. TRAINING

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

I. MISCELLANEOUS

1. You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("**Confidential Information**").
2. You shall ensure that Confidential Information is not disclosed or divulged to any person in any manner whether directly or indirectly in full or in part, both during and after your Term as an Independent Director without prior clearance from the Managing Director / Board.
3. If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

J. TERMINATION / VACATION

You may resign from your position at any time and should you wish to do so, you are requested to serve a written notice on the Board. Your appointment may also be terminated in accordance with the provisions of the Act and Articles of Association of the Company from time to time in force. Upon your resignation / termination as a Director, you shall, with immediate effect, cease to be a member of the Committee(s) of the Board in which you are appointed.

K. COMMUNICATION

All communication to BBL shall be addressed to the following address:

**The Company Secretary & Compliance Officer,
Bharat Bijlee Limited,
Electric Mansion, 6th Floor,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai 400 025**



L LIABILITIES

As an Independent Director, you shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board and Committee processes, and with your consent or connivance or where you had not acted diligently.

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

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise their responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will vitiate their 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. To not abuse their 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. To refrain from any action that would lead to loss of their independence;
8. where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

II. Role and functions:

1. Assist 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 yourself on the integrity of financial information and that financial controls and 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:

1. Undertake appropriate induction and regularly update and refresh your 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 including a Separate meeting of the independent director and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Company.
6. 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.
7. Keep yourself 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 yourself 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 behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
12. Acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
13. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

V. Resignation or removal:

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.

VI. Separate meetings:

1. The independent directors of the company shall hold at least one meeting in a financial 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;

(1) 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.

VII. 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.
