

**Dear Sir,**

**Subject: Letter of Appointment for Independent Director**

We thank you for your confirmation to Sanghvi Movers Limited ("SML/ Company") that you meet the "independence" criteria as envisaged in Section 149 (6) of the Companies Act, 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and also for consenting to hold the office as Director of the Company.

Pursuant to your confirmation, we are pleased to inform you on behalf of the Board of Directors of Sanghvi Movers Limited ("SML/ Company") that the Members of the Company at the Annual General Meeting of the Company held on 22<sup>nd</sup> September 2016, on the recommendation of the Board of Directors and the Nomination and Remuneration Committee, have appointed you as an Independent Director on the Board of Directors of SML. This Letter of Appointment sets out the terms and conditions covering your appointment, which are as follows:

**1. Term of Office:**

- a. In accordance with the provisions of the Companies Act, 2013 and rules thereof (hereinafter referred to as the "Act") and the Listing Regulations, you have been appointed as an Independent Director.
- b. The appointment is for a term of five years (5 years) consecutive years upto 31<sup>st</sup> March 2021.
- c. The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the Listing Regulations.

**2. Committees:**

- a. The Board of Directors may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

**3. Role and Duties:**

Your role and duties will be those as specified for an Independent Director under the Act and the Listing Regulations. The same are set out in detail in the Code of Conduct for Directors and Senior Management of SML. A copy of this Code is attached as *Annexure A*. Broadly it covers the following:

- a. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013.
- b. You will not hold office as a Director or any other office in a competing firm/entity.
- c. 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.
- d. You are expected to:
  - (i) facilitate Company's adherence to high standards of ethics and corporate behavior;
  - (ii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
  - (iii) 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;
  - (iv) take decisions objectively and solely in the interests of the Company;
  - (v) 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.

4. **Time Commitment:**

- a. In performance of your role and duties effectively, as set out at 3 above, you will be expected to attend Board and Committee Meetings to which you are or you may be appointed & Shareholders meetings and to devote such time as may be appropriate. You will be given adequate advance notice of the dates of the Board, Committee and General Meetings.
- b. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

5. **Status of Appointment:**

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

6. **Remuneration:**

You will be paid such remuneration by way of sitting fees for attending meetings of the Board, its Committees and a Commission on profits, as may be decided by the Board.

7. **Reimbursement of Expenses:**

In addition to the remuneration described in paragraph 6, the Company will, for the period of your appointment, reimburse you for travel and other incidental expenses incurred by you in the performance of your role and duty.

8. **Conflict of Interest:**

- a. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, 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 thereafter.
- b. 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 Company Secretary.

9. **Confidentiality:**

All information acquired during the course of your appointment as Independent Director of the Company is confidential to SML and should not be released, either during your appointment (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 material made available to you and in your possession by SML.

10. **Dealing in the securities of the Company:**

You are required to ensure the compliance with the Code of Fair Disclosure & Code to Regulate, Monitor and Report Trading by Insiders in securities of SML.

In accordance with the said Code, you shall not:

- a. either on your behalf or on behalf of any other person, deal in the securities of the Company, when in possession of any unpublished Price Sensitive Information; or
- b. communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person, who while in possession of such information, shall not deal in securities.

However, it need not be concluded that you are barred from dealing in the securities of the Company. You are permitted to deal in the securities of the Company, provided you follow the Code.

You should avoid making any statements about the Price Sensitive Information that might risk a breach of these requirements, without prior clearance from the Chairman.

A copy of the Code of Fair Disclosure & Code to Regulate, Monitor and Report Trading by Insiders is attached as *Annexure B*.

11. **Induction:**

The management will be organizing a suitable training programme for the newly inducted Independent Director/s to familiarize them with the Company, etc. The existing Independent Directors can also undergo the training programme, if they so wish. The dates of the training programme will be intimated sufficiently in advance.

12. **Evaluation mechanism:**

Your performance evaluation will be done on an annual basis by the Nomination and Remuneration Committee as well as by the Board of Directors.

13. **Directors' and Officers' (D and O) Insurance:**

The Company may obtain a Directors and Officers Liability Insurance Policy for you. Details of the same will be provided by the Company Secretary as and when such a policy is taken by the Company.

14. **Governing Law:**

This Letter of Appointment is governed by and will be interpreted in accordance with Indian Law and your engagement shall be subject to the jurisdiction of the Indian courts.

The aforesaid terms and conditions of your appointment may be varied from time to time in accordance with amendments to the Act, and any other applicable legislation, if any.

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

Thanking you,

Yours sincerely,

**For Sanghvi Movers Limited**

**Chairman**

Encl. as above

**ANNEXURE A**

**SANGHVI MOVERS LIMITED**

**CODE OF CONDUCT FOR DIRECTORS  
AND SENIOR MANAGEMENT**

**APPROVAL DATE:  
MAY 25, 2016**

## **APPLICABILITY**

This Code is in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with provisions of section 149(7) of the Companies Act, 2013 and Rules thereof and shall be applicable to each member of the Board of Directors (the 'Board') of Sanghvi Movers Limited (the 'Company') as well as Employees of the Company one level below the Board, being members of the 'Senior Management' of the Company or such other employee of the Company as may be designated as member of the Senior Management for the purpose of this Code.

This Code shall be effective from 25<sup>th</sup> May 2016.

## **OBJECTIVE**

This Code is expected to help maintain high standards of business conduct for the Company and to promote ethical conduct. Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders. Directors and senior Management should ensure that they do not derive any undue personal benefit because of their position in the Company and/or exposure to certain confidential information coming to their knowledge.

## **THE CODE**

Every person to whom this Code applies will be bound by the following, to the extent applicable. They shall:

1. No Director / Designated Employee shall pass on any price sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company;
2. No Director / Designated Employee shall communicate any unpublished price sensitive information to any person except those within the company who need the information to discharge their duty and whose possession of such information will not give rise to conflict of interest or appearance of misuse of the information.
3. All the Directors / Designated Employees will have to keep the files containing confidential material relating to the price sensitive information fully secured. Computer files must be kept with adequate security of login and password, etc;

4. When the trading window is closed, the Directors / Designated Employees shall not trade in the Company's securities in such period;
5. Comply with all applicable laws, rules, regulations and regulatory orders;
6. To acquire appropriate up-to-date knowledge of requirements of compliance under various applicable statutes;
7. Use due care and diligence in performing their duties and in exercising their powers;
8. To act in utmost good faith and in accordance with highest standards of personal and professional integrity, honesty and ethical conduct in respect of all transactions;
9. To avoid scrupulously 'conflict of interest' with the Company. A conflict of interest exists where the interest of a Director or Senior Management conflict with those of the Company;
10. Neither make improper use of information nor take improper advantage of their position as Director or member of Management Team;
11. Not to exploit for their own personal gain, opportunities that are discovered through the use of Company's property, information or position;
12. To deal fairly with the stakeholders and employees of the Company;
13. To maintain the confidentiality of sensitive information of the Company and its business or that of any stakeholder to which the Company has a duty of confidentiality to maintain, except when disclosure is authorized or legally mandated;
14. To disclose the necessary information to the Company at regular intervals in respect of various declarations under the various acts, rules and regulations, including the Companies Act, 2013 and details of related parties from time to time;
15. To comply with the provisions of the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of the Company and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company;
16. Ensure that the business practices of the Company would always be fair and transparent;
17. To promote ethical and responsible decision making;
18. To contribute in the most effective manner to achieve the Vision and Mission of the Company;



19. Take all reasonable steps and appropriate actions in consonance with all decisions taken by the Board of Directors.

### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

#### **(A) Guidelines of professional conduct:**

An independent director shall:

1. uphold ethical standards of integrity and honesty;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a *bona fide* manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making; 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;
6. assist the company in implementing the best corporate governance practices.

#### **(B) Role and Functions:**

The independent directors shall:

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of Board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**(C) Duties:**

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

**Certification**

Each of the Directors of the Board and the Senior Management Personnel of the Company shall file with the Company Secretary of the Company, a declaration as to compliance with the provisions of this Code 01<sup>st</sup> April every year.

**Dissemination of the Code**

This Code shall be hosted on the website of the Company.

**Amendment**

The Board has the right to amend or modify this Code in whole or in part, at any time, without assigning any reason whatsoever, subject, however, to the condition that such alterations will be in consonance with the provisions of the Applicable Law.

# ANNEXURE B

## **CODE OF FAIR DISCLOSURE**

*(Pursuant to the Securities Exchange Board of India  
(Prohibition of Insider Trading) Regulations, 2015)*

## **SANGHVI MOVERS LIMITED**

Registered Office:  
Survey No. 92, Tathawade,  
Taluka Mulshi,  
Pune, Maharashtra – 411033,  
INDIA

*Adopted by the Board of Directors on 12<sup>th</sup> August 2015*

# CODE OF FAIR DISCLOSURE

(Pursuant to the Securities Exchange Board of India  
(Prohibition of Insider Trading) Regulations, 2015)

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Adopted by the Board of Directors of Sanghvi Movers Limited on 12<sup>th</sup> August 2015

## **1. PREAMBLE**

- 1.1** The Board of Directors of Sanghvi Movers Limited (the '**Company**') is expected to manage the affairs of the Company in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders.
- 1.2** The Company endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent the misuse of such information.

## **2 LEGAL FRAMEWORK**

- 2.1** The Securities and Exchange Board of India ('**SEBI**') has, vide its circular no. LAD-NRO/GN/2014-15/21/85 dated January 15, 2015 enacted the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**the Regulations**").
- 2.2** Regulation 8 (1) under Chapter - IV of the Regulations provides for the formulation of a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ('**Code of Fair Disclosure**').
- 2.3** Schedule A to the Regulations enlists the principles of fair disclosure for the purpose of the Code of Fair Disclosure.
- 2.4** Any subsequent modification and / or amendments brought about by the Regulations shall automatically apply to the Code of Fair Disclosure.
- 2.5** The Code of Fair Disclosure shall be applicable to all members of the Board of Directors of the Company with effect from 12<sup>th</sup> August 2015.

## **3 PRINCIPLES OF FAIR DISCLOSURE FOR THE PURPOSE OF THE CODE OF FAIR DISCLOSURE**

The Code of Fair Disclosure intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for the securities of the Company. To achieve this objective, the members of the Board of Directors of the Company shall adhere to the following principles in letter as well as in spirit:

- 3.1** There shall be prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 3.2** The uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure shall be ensured.

- 3.3** Unless otherwise resolved by the Board of Directors of the Company, the Company Secretary shall act as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- 3.4** There shall be prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise. It shall be ensured that such information is generally available.
- 3.5** Appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 3.6** The Board of Directors of the Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- 3.7** Best practices will be followed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- 3.8** Unpublished price sensitive information shall be followed on a need-to-know basis.

#### **4 POWER OF THE BOARD OF DIRECTORS**

- 4.1** The Audit Committee, subject to approval of the Board of Directors of the Company, reserves the right to amend or modify the Code of Fair Disclosure in whole or in part, at any time, without assigning any reason whatsoever.
- 4.2** The Board of Directors of the Company may establish further rules and procedures, from time to time, to give effect to the intent of the Code of Fair Disclosure and to further the objective of good corporate governance.
- 4.3** The decision of the Board of Directors of the Company with regard to any or all matters relating to the Code of Fair Disclosure shall be final and binding on all concerned.

#### **5 DISCLOSURE**

- 5.1** The Code of Fair Disclosure shall be published on the official website of the Company [www.sanghvicranes.com](http://www.sanghvicranes.com).
- 5.2** The Code of Fair Disclosure and every amendment thereto shall be promptly intimated to the stock exchanges where the securities of the Company are listed, that is, the BSE Limited and the National Stock Exchange of India Limited.