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Date: 26<sup>th</sup> May 2023

To,

**Mr. Suhas J. Ahirrao**

B-II, Anandvan Heritage, Anand Nagar, Sinhgad  
Road, Pune 411051, Maharashtra, India.

**Sub.: Your Appointment as an Independent Director in Precision Camshafts Limited ("Company")**

We are pleased to inform you that the shareholders of the Company have approved your appointment as an Independent Director of the Company by passing special resolution through postal ballot dated on **12<sup>th</sup> May 2023**. This letter sets out the terms and conditions covering your appointment which are as follows:

**APPOINTMENT:**

1. In accordance with the provisions of Companies Act 2013 and the rules made thereunder read with Schedule IV to the Act, you are appointed as a **Non-Executive Independent Director** on the Board of Directors of the Company for the first term starting from **29<sup>th</sup> March 2023 to 30<sup>th</sup> September 2024**.
2. The term Independent Director should be construed as defined under the Companies Act 2013.
3. In compliance with provisions of section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
4. Notwithstanding other provisions of this letter, the appointment may be terminated on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
5. Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

**TIME COMMITMENT:**

6. As a Non-Executive Independent Director, you are expected to bring objectivity and independence of view to the Board's 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 will be expected to attend meetings of the Board and Board Committees to which you are appointed, give your assent or dissent to the matters discussed through circulation, Shareholder's meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

**Precision Camshafts Limited**

☺ Solapur : D5 MIDC, Chincholi, Solapur, India – 413255

☺ Solapur : E102 MIDC, Akkalkot Road, Solapur, India – 413006

☺ Pune : 501/502, Kanchanban "B", Sunit Capital, Senapati Bapat Rd, Pune, India - 411016



7. By accepting this appointment, you confirm that you can allocate sufficient time for proper performance of your role, duties and responsibilities as Independent Director and meet the expectations to the satisfaction of the Board.

**ROLE AND DUTIES:**

8. Your roles and duties will be those normally required of a Non-Executive Independent Director under Section 166 and Schedule IV of the Companies Act, 2013 amended from time to time and Policy of the Company "TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS".

There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association as may be amended from time to time.
- II. You shall act independently in good faith to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, its employee, the shareholders, and for protection of Environment
- III. You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.
- VII. If you contravene the provisions of section 166 of Companies Act 2013 you shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

In addition to the above requirements the Board of Directors also expect you to perform the following functions:

- I. You should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. You should evaluate the performance of management in meeting agreed goals and objectives.
- III. You should satisfy yourself on the integrity of financial information and those financial controls and systems of risk management are effective and defensible.
- IV. You are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- V. You will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.



- VI. You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.
- VII. As members of the Board, along with the other Directors you will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Act,
  - "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed under the SEBI LODR 2015 and other applicable SEBI Regulations, and
  - Accountability under the Director's Responsibility Statement
- VIII. Independent Directors are particularly expected to provide guidance in their area of expertise.

#### **REMUNERATION**

9. Independent Directors may be paid remuneration by way of commission/sitting fees that is determined by the Board/ Shareholders. In determining the amount of this commission, the Board may consider performance of the Company and their performance as evaluated by the Board. Further, the Company may pay or reimburse to the Directors such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel, and any out-of-pocket expenses for attending Board/ Committee Meetings, General Meetings, court convened Meetings, Meetings with Shareholders/Creditors/Management, Site visits, Induction and Training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

#### **STATUS OF APPOINTMENT:**

10. You will not be an employee of the Company and this letter shall not constitute a contract of employment.
11. You will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

#### **INDEPENDENT PROFESSIONAL ADVICE**

12. There may be occasions when you may consider that you need professional advice in furtherance of your duties as a director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.





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#### **INSURANCE**

13. The Company has Directors' and Officers' liability insurance, and it is intended that the Company will maintain such cover for the full term of your appointment.

#### **EVALUATION**

14. As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

#### **CODE OF CONDUCT**

15. You as Independent Director of the Company shall agree to comply with the Code of Conduct for Directors and Senior Management. Unless specifically authorized by the Company, Independent Directors shall not disclose Company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors, and importers. The obligation of confidentiality shall survive cessation of their respective directorships with the Company. The provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time would be applicable to the Independent Directors. Additionally, Independent Directors shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

#### **CONFIDENTIALITY**

16. Every 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 of the Company 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.
17. Your attention is also drawn to the requirements under the applicable regulations and the Company's Code of conduct for Regulating, Monitoring and Reporting Trading by Insiders which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary of the Company.

#### **CONFLICT OF INTEREST DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

18. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition 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.



19. During the Term, you as Independent Director shall agree to promptly notify the of any change in their directorships and provide such other disclosures and information as may be required under the applicable laws. You shall also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. During your term, you shall agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.
20. In circumstances that seem likely to change and may 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 of the Company.
21. Any material interest that a director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contract with a particular person, firm or company is acceptable.
22. You shall at the first meeting of the Board you participate as a Director and thereafter at the first meeting of the Board in every financial year, submit a declaration that you meet the criteria of independence as provided in clause (b) of sub-regulation (1) of Regulation 16 of SEBI LODR and that you are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact your ability to discharge your duties with an objective independent judgment and without any external influence.

#### **TRAINING AND DEVELOPMENT**

23. The Company may, if required, conduct formal training program for its Independent Directors. The Company may, as may be required, support 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 whole Board.

#### **PUBLICATION OF THE TERMS AND CONDITIONS OF APPOINTMENT ON WEBSITE**

24. In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company has made public the terms and conditions of appointment of Independent Directors on the Company's website [www.pclindia.in](http://www.pclindia.in)

#### **MEMBERSHIP OF COMMITTEES**

25. The Board of Directors may appoint you as Member /Chairman of one or more of its committees. Upon your appointment, you will be provided with appropriate charter which sets out the functions of that committee.



#### TERMINATION

26. You may resign from your position at any time by serving a written notice to the Board. In terms of provisions of the Act, 2013, you are required to file a copy of your resignation letter with the Registrar of Companies.
27. Continuation of your appointment is contingent on your getting re-appointed by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-appoint you at any time.

On the conclusion of tenure, the Directors shall return any property and assets to the Company in their possession including information and data. The Directors shall not retain any copy of the information and data unless approved in writing by the Chairman of the Company.

#### GENERAL

28. This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Solapur.
29. Please confirm the above said appointment by signing the attached acknowledgement.

Yours sincerely,

**For Precision Camshafts Limited**



**Ravindra R. Joshi**

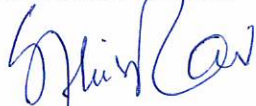
**Whole-time Director and CFO**

**DIN: [03338134](#)**



#### Acknowledgement

I have read and agree to the above appointment as an Independent Director of Precision Camshafts Limited.



**Suhas J. Ahirrao**

**DIN: [10090429](#)**