



**ENERGY
DEVELOPMENT
COMPANY LTD.**

Date : 18.09.2014

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To
MR. GOURI PRASAD GOENKA
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Sub: Appointment of Non – Executive Independent Director under Companies Act, 2013

We are pleased to confirm that the Board of Directors ("the Board") of Energy Development Company Limited ("the Company") and the shareholders of the Company have approved your appointment as an Independent Director of the Company. This appointment letter sets out the terms and conditions of your appointment which are as follows:-

1. Term of Appointment:

Subject to the provisions of Section 149 of Companies Act, 2013, the appointment shall be for the term of 5 years w.e.f. the conclusion of 19th Annual General Meeting held on 18th September 2014 up to the conclusion of the 24th Annual General Meeting of the Company to be held in the calendar year 2019."

Notwithstanding the other provisions of this letter, the Appointment may be terminated at any time by the Company in accordance with the Companies Acts, 2013 or Articles of Association or you may resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re-election (where that is possible) so that the Company can plan for succession of skills and experience on the board. Upon such termination or resignation for any reason, you shall not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment.

2. The expectation of the Board from the appointed Director:

The Board expects from the appointed Independent Director that he/she shall —

- a. comply with the provision Section 166 of the Companies Act, 2013 read with the Rules made thereunder, including any statutory modification or amendment thereof and provisions of the listing agreement executed by the Company with stock exchanges as applicable to him/her as Independent Director.
- b. understand and carry out diligently, his roles & functions and duties as provided under Schedule IV to the Companies Act, 2013.
- c. shall take all effective steps to guide the Company such that it is compliant with all the applicable laws including Companies Act, 2013 and all rules made there under; SEBI Act, 1992 and all other regulations made there under.

3. Appointment in Board Level Committees and its tasks:

During the tenure as Independent Director, you may be nominated in one or more committees of the Board and in such case you will be provided with relevant committee's terms of reference and any specific responsibility.

4. The fiduciary duties that come with such appointment along with accompanying liabilities:

- a. You shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, community and for the protection of environment.
- b. You shall disclose interest in any of the contract or arrangements and also disclose the interest on periodical basis as per the requirement of Section 184 of the Companies Act, 2013.
- c. You shall give annual declaration as required under the provision of Section 149(7) of the Companies Act, 2013 and the rules made thereunder.
- d. You shall not misuse the assets, property, information or any other matter that you may have access to, in the capacity as a Director of the Company.

The above list is only indicative and not exhaustive. Special attention is invited to the Section 166 of the Companies Act, 2013 and also to the Guidelines of Professional Conduct, Role and Functions of Independent Directors and the duties of Independent Directors as provided under the schedule IV to the Companies Act, 2013.

Any breach of fiduciary duties would warrant civil and criminal action or both by the Company, its shareholders, statutory authorities and others. The Companies Act, 2013, envisages huge penalties and imprisonment for such breaches.

5. Provision for Directors and Officers (D and O) insurance, if any:

At present, the Company does not have any such policy.

6. The Code of Business Ethics that the Company expects its directors and employees to follow:

The Company has formulated a Code of Conduct for the Board of Directors and Senior Employees of the Company. The Code of Conduct is also displayed in the Company's website. You shall affirm compliance with the code on an annual basis.

7. The list of actions that a director should not do while functioning as such in the Company:

You shall not –

- a. misuse the information in your possession.
- b. engage in any way (both directly and indirectly) in any activity having conflict of interest with that of the Company.

- c. break any law of the land or indulge or provoke the co-directors or employees to do the same.
- d. enter into any contract or arrangement wherein you are directly or indirectly interested as per the provisions of the act.
- e. shall not achieve or attempt to achieve any undue gain or advantage either to you or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you will be liable to pay an amount equal to that gain to the Company.
- f. you shall not assign your office and any assignment, if so made shall be void.

The above list is only indicative and not exhaustive.

8. The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any:

You will be entitled to sitting fee, as may be determined by the Board, for participating in the Board, Committee Meetings or other meetings. In addition to this, you will be entitled to the re – imbursement of out of pocket expenses reasonably incurred by you for attending the Board or Committee Meetings or any other work of the Company.

9. Prohibition of Insider Trading:

- a. You are prohibited from dealing in the Company's shares during the period when the trading window is closed.
- b. You, being designated officer of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy / sell / gift) from the CEO of the Company and the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations.

10. Confidentiality:

All information acquired during your appointment is confidential to the Company and should not be released, either during appointment or following termination (by whatever means) to third parties without prior clearance from the other Members of the Board of Directors of the Company unless required by law or by the rules of any stock exchange or any regulatory body. On reasonable request, you shall surrender all documents and other materials made available to you by the Company.

The attention is drawn to the requirements under the applicable laws as to the disclosure of price-sensitive information. Consequently he/she should avoid making any statements that might risk a breach of these requirements without prior clearance from the other Members of the Board of Directors of the Company.

NOTE :

An Independent Director shall not serve as an independent director in more than seven listed companies or such number of listed Companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force.

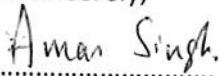
Further, an Independent Director who is serving as a whole time director in any listed company shall not serve as an independent director in more than three listed companies or such number of listed Companies as may be stipulated by the Listing Agreement or any other law of the land, for the time being in force.

We are confident that your association, expertise and advice will immensely benefit the Company and all its stakeholders.

If you are willing to accept these terms of appointment relating to your appointment as a non - executive Independent Director of EDCL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed duplicate copy of this letter.

Thanking you,

Yours sincerely,


.....

Amar Singh
Chairman

For Energy Development Company Limited

I have read and agree to the terms and conditions regarding my appointment as Independent Director of Energy Development Company Limited.

Signed 

Dated