

NATIONAL PLASTIC INDUSTRIES LIMITED

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E-Mail : info@nationalplastic.com Website : www.nationalplastic.com

CIN No. L25200MH1987PLC044707

Date: 15th September, 2014

Mr. Dhirajlal J. Shanghavi
140, Rajiv Sewri,
Wadala, Scheme road No. 9,
Wadala,
Mumbai-400031

Sub.: Appointment as Non-Executive Independent Director of the Company

Dear Sir,

We are pleased to inform you that the shareholders of the Company at the 27th Annual General Meeting held on 11th September, 2014 have passed the resolution for your appointment as a Non-Executive Independent Director of the Company, pursuant to the provisions of the Companies Act, 2013.

As per the requirements of the Companies Act, 2013, the above is being formalized through this letter of appointment.

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

1. Appointment

Your appointment as a non-executive Independent Director on the Board of National Plastic Industries Limited will be for a consecutive period of Five (5) years for a term upto 31st March, 2019 and shall take effect from 1st April, 2014, unless terminated earlier.

Your appointment is subject to the provisions of the Companies Act, 2013 regarding appointment, fees, expenses, retirement, disqualification and removal of directors.

You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time. You agree to participate in such reviews.

The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.



2. Role, Duties and Responsibilities

Your role and duties will be those normally required of a Non-Executive Independent Director under the Act and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and the same are specified under Section 166 of the Act. You are expected to perform your duties, whether statutory, fiduciary or common law.

In addition to the above requirements, you are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Companies Act, 2013, as in force and as may be amended from time to time. While performing such duties, roles and functions, you will be required to abide by the 'Guidelines of Professional Conduct' as stated under the said Schedule. (Annexure 1)

You are required to make disclosure of your interest as per the requirements of Section 184 of the Companies Act, 2013 and not participate in the meeting of the Board where any contract or arrangement in which you are interested is discussed. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

3. Committees

Presently, you are the Chairman of the Audit Committee of the Company. The Board of Directors (the Board) 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.

4. Time Commitment

You will be expected to devote such time as is necessary for the proper performance of your duties and to attend Board meetings and Committee meetings to which you may be appointed each year. You should strive to attend all the scheduled quarterly board meetings, Committee meetings, General meetings and other meetings as necessary.

As an Independent Director, you should strive to hold and be present in atleast one meeting in a year without the presence of the non-independent directors and members of the management with the sole objective of:

- a. review the performance of non-independent directors and the Board as a whole.
- b. Access 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.

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 & Directors' fees

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

As an independent director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5 the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

7. Conflict of Interest and Disclosures

By accepting this appointment, you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you shall promptly disclose the same to the Company. Further, during the tenure, you agree to promptly notify of any change in your directorships.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

During your tenure as an independent director you are required to give a declaration that you meet the criteria of independence, every financial year, as provided under Section 149 of the Companies Act, 2013. Format of disclosure is enclosed in Annexure 2.

8. Code of Conduct for Prevention of Insider trading for employees including Directors

We would also like to draw your attention to the applicability of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 (as enclosed).

You will follow the Company's Share Dealing Code and the aforesaid SEBI Regulations, which inter-alia prohibits the disclosure or use of unpublished price sensitive information.

You should not make any statement(s) or perform any transactions that might risk a breach of these requirements, unless the same is required under any law or the same is required for the purpose of compliance of any direction, order, etc. issued/given by any judicial authority, without prior clearance from the Managing Director or Company Secretary.

9. Code of Conduct & Confidentiality

You will follow the Code of Conduct of the Company and furnish annual affirmation of the same.

All information acquired during your appointment is confidential to the Company and should not be disclosed, either during your appointment or following termination (by whatever means) to third parties, except as permitted by law or with prior clearance from the Managing Director. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

10. Liability

As an Independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

11. Induction & Training

The Company shall, if required, conduct formal induction program for its Independent Directors.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business.

12. Evaluation

As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors.

13. Insurance

Presently, the Company has no Directors' and Officers' liability Insurance policy. The Company may obtain a Directors' and Officers' liability Insurance policy. Details of the same will be provided as and when such policy is taken by the Company.

14. Independent Professional Advice

There may be occasions when you 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 the full cost of expenditure incurred in accordance with the Company's policy.

15. Termination

You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

16. Governing Law

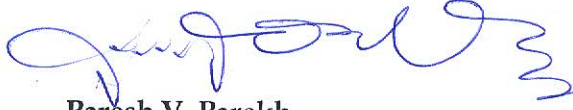
This letter and any non-contractual obligations arising out of or in connection with this letter are governed by, and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Courts of Mumbai.

17. General

All the terms as mentioned above including your appointment, remuneration, professional conduct, role, duties and evaluation, shall be governed by all the relevant provisions of the Companies Act, 2013 and rules made thereunder and Corporate Governance requirements under the Listing Agreement, as amended from time to time.

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

Yours sincerely
For National Plastic Industries Limited



Paresh V. Parekh
Managing Director
DIN No. 00432673



I have read and agree to the above terms regarding my appointment as an Independent Director of National Plastic Industries Limited.



Dhirajlal J. Shanghavi
DIN No. 02909798

Dated 15/9/2014