



Regd. Office : AVINISHA TOWER, MEHADIA SQUARE, DHANTOLI, NAGPUR - 440 012
Tel. : (0712) 6663999
Website : www.berarfinance.com ★ Email : info@berarfinance.com

BERAR FINANCE LIMITED
CIN No.U65929MH1990PLC057829

Date: 26/08/2014

To,
Mr. Vishwas Pathak
Flatno.202,
Suyash Apartments, 28,
Swavalambi Nagar,
Nagpur - 440 022

Dear Sir,

Re: Your appointment as the Independent Director of Berar Finance Limited

We are pleased to advise you that at the Annual General Meeting held on 23rd August, 2014, shareholders have approved your appointment as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of 29th Annual general Meeting in the Calendar year, 2019.

A) Preliminary

Your appointment is subject to the following:

- 1) During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial year under Section 149(7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.
- 2) So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act.
- 3) 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.
- 4) You will ensure compliance with other provisions of the Act as applicable to you as an Independent Director.

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B) Term

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Your appointment is for a consecutive period of 5 years for a term from the conclusion of this Annual General Meeting i.e. 23rd August , 2014 upto the conclusion of 29th Annual general Meeting in the calendar year 2019.

As an Independent Director, you will not be liable to retire by rotation.

C) Committees

You have been appointed on the following Committees of the Board:

- i) Audit Committee
- ii) CSR Committee
- iii) Nomination and Remuneration Committee

D) Code of Conduct and Duties and Responsibilities

1. 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 as set out in Annexure hereto.
2. You will not hold office as a Director or any other office in a competing firm/entity.
3. 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.
4. You are expected to take decisions objectively and solely in the interest of the Company and to facilitate company's adherence to high standards of ethics and corporate behavior.
5. Unless specifically authorized by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors. Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.
6. Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the company.



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E) Performance Evaluation

Evaluation of each director shall be done by all other directors. Your reappointment or extension of term and your remuneration will be recommended by the Nomination and remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

F) Sitting Fees etc

You will be entitled to sitting fees for attending each meeting of the Board and it's Committees as may be determined by the Board from time to time and reimbursement of expenses incurred by you in connection with attending the Board Meetings, Board Committee Meetings, General Meetings of the Company.

G) Change of personal details

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

H) Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies(ROC). The resignation shall take effect from the date on which the notice is received by the Company or the date , if any, specified by you in the notice , whichever is later.

If at any stage during the Term, there is a change that may affect your status as on Independent Director as envisaged in Section 149(6) of the Companies Act 2013, you agree to promptly submit your resignation to the Company with effect from the date of such change.



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This letter represent the entire understanding and constitutes the whole agreement , in relation to your appointment . No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely

For Berar Finance Limited


(Mr.M.G.Jawanjar)
Chairman

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Date:26/08/2014

Place: Nagpur

Sign:



Name:

V. R. Pathak

DSN:- (00452917)



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Guidelines of professional Conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013)

Guidelines for Professional Conduct:

1. To uphold ethical standards of integrity and probity.
2. To act objectivity 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 it's decision making.
6. To not abuse their position to the detriment of the Company or it's shareholders or for the purpose of gaining direct or indirect personal advantages or advantage for any associated person.
7. To refrain from any action that would lead of 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 Company in implementing the best corporate governance practices.

Role and functions:

1. Assist in bringing an independent judgment to bear on the Board 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 the management.
3. Scrutinize 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 recommended removal of executive directors, key managerial personnel and senior management.



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Duties:

1. Moderate and arbitrate in the interest of the Company as a whole , in situations of conflict between management and shareholder's interest.
2. Undertake appropriate induction and regularly update and refresh your skills , knowledge and familiarity with the Company.
3. 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.
4. 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.
5. Participate constructively and actively in the Committees of the Board in which you are chairperson or member.
6. Strive to attend the general meetings of the Company.
7. Where you have concern 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.
8. Keep yourself well informed about the Company and the external environment in which it operates.
9. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
10. 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.
11. Ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use.
12. Report concern about unethical behavior ,actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
13. Action within your authority, assist in protecting the legitimate interest of the Company, shareholders and its employees.
14. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is preselly approved by e Board or required by law.