

# CONSOLIDATED FINVEST & HOLDINGS LIMITED

H.O.: Plot No.-12, Sector B-1, Local Shopping Complex, Vasant Kunj, New Delhi-110070 (INDIA)  
Ph.: 91-11-26139256 (10 Lines) Fax : 91-11-26125739 CIN : L33200UP1993PLC015474 Website : www.consofinvest.com

SECTT/CFHL/NOV17/ 284

14<sup>th</sup> November 2017

Mr. Prakash Matai  
202, Pharaohs Tower,  
Omax Nile Apartments,  
Near Sai Dham Temple  
Sector 49, Sohna Road,  
Islampur (97)  
Gurgaon - 122018  
DIN: 07906108

## Subject: Appointment as Non Executive Independent Director

Dear Sir,

We are pleased to inform you that your appointment as Independent Director of **Consolidated Finvest & Holdings Limited** is considered and approved by our Board of directors in its meeting held on 14<sup>th</sup> November 2017 . We are pleased to confirm your appointment as Non-Executive-Independent Director on the Board of Directors of Consolidated Finvest & Holdings Limited (hereinafter referred to as CFHL or the Company) for a term of five years with effect from 14<sup>th</sup> November 2017.

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

### Appointment and Terms Thereof

- Your Term of appointment as Non-Executive Independent Director shall be from 14<sup>th</sup> November, 2017 up to 13<sup>th</sup> November 2022.
- Your appointment has/is subject to approval of the Shareholders as per the provisions of the Companies Act, 2013.
- As an Independent Director you will not be liable to retire by rotation.
- Your appointment is subject to approval of members at the Annual General Meeting of Company to be held in the year 2018.
- The appointment tenure and terms as Independent Director should be construed as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.



Regd. Off. : 19th K.M. Hapur - Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr (U.P.)

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## Board Committees

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 laws and regulations. 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.

## Role, Duties and Responsibilities

As a member of the board, your role, duties and responsibilities will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

In terms of Section 166 of the Companies Act, 2013, you shall

- act in accordance with the Company's Articles of Association.
- 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 interest of the Company, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- exercise your duties with due and reasonable care, skill and diligence.
- 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.
- not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- not assign your office as Director and any assignments so made shall be void.

You shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act and SEBI (LODR) Regulations, 2015.

For your ready reference, the relevant provisions have been extracted and attached to this letter as Annexure A.

## Remuneration, etc. Fees/Commission:

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/or approved by the



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Shareholders from time to time. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 1,500/- per meeting of the Board and Audit Committee thereof.

## **Reimbursement of Expenses:**

In addition to the remuneration described, hereinabove, 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.

## **Code of Conduct & other compliances**

During the appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and Senior Executives and Insider Trading Code and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## **Conflict of Interest**

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. 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 judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

## **Confidentiality**

All information acquired during your appointment is confidential to CFHL and should not be released, either during your appointment or following termination (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



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reasonable request, you shall surrender any documents and other materials made available to you by CFHL. Your attention is also drawn to the requirements under the applicable regulations and the CFHL Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of CFHL. 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 Secretary.

## Evaluation

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors. Your appointment and re appointment on the Board shall be subject to the outcome of the evaluation process.

## Insurance

Presently CFHL has no Directors' and Officers' liability insurance. However, if in future Company's takes such Insurance , a copy of same shall be provided to you.

## Disclosure of Interest

You shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest 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 contracts with a particular person, firm or company is acceptable.

## Cessation from Directorship

- 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.
- Continuation of your appointment is contingent on your getting re-elected 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-elect you at any time.
- 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.



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## 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. This letter constitutes neither a contract for services nor a service contract. Please confirm your agreement to the terms of appointment relating to your appointment as a non-executive Independent Director of CFHL by signing and returning to us the enclosed copy of this letter.

Yours sincerely,

**For Consolidated Finvest & Holdings Ltd.**

**Sanjiv Kumar Agarwal**  
Managing Director



## 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.

Name: Prakash Matai

DIN : 07906108

Place: New Delhi

Date : 14<sup>th</sup> November 2017

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## Annexure A

### SCHEDULE IV TO THE COMPANIES ACT, 2013 [See section 149(8)]

#### CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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.

#### I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (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;
- (6) 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices

#### II. 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;



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- (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.

### III. Duties :

The independent directors shall—

- (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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;



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(12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### IV. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :

- a) the term of appointment;
- b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
- c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
- d) provision for Directors and Officers (D and O) insurance, if any;
- e) the Code of Business Ethics that the company expects its directors and employees to follow;
- f) the list of actions that a director should not do while functioning as such in the company; and
- g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.





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## V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

## VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

## VII. Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess 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.

## VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

