



# NAVA BHARAT VENTURES LIMITED

NAVA BHARAT CHAMBERS, RAJ BHAVAN ROAD, HYDERABAD-500 082, TELANGANA, INDIA

NAVA BHARAT

Name : Dr.C.V.Madhavi  
Address : Plot No: 563, Block III A,  
Road No: 92, Jubilee Hills,  
Hyderabad - 500 033.

Date: 8<sup>th</sup> August, 2014

Dear Dr.C.V.Madhavi,

**Sub: Appointment of Independent Director pursuant to Section 149 (7) read with Schedule IV of the Companies Act, 2013.**

I am pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of Nava Bharat Ventures Limited, has approved your appointment as an Independent Director of the Company and the 42<sup>nd</sup> AGM held on 8<sup>th</sup> August, 2014 approved the same and passed an Ordinary Resolution. This letter sets out the terms of your appointment.

**(A) TERM OF APPOINTMENT:**

In accordance with the provisions of the Companies Act, 2013 and applicable laws, you will serve as an Independent Director on the Board of Directors of the Company for a term of five consecutive years i.e. (upto the date of 47<sup>th</sup> AGM). Your appointment is approved by the shareholders at the 42<sup>nd</sup> Annual General Meeting of the Company held on 08.08.2014. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Independent Directors are subject to compliance of relevant provisions of Companies Act, 2013 and Schedule IV with the code and duties stipulated therein. The Independent Directors further are subject to compliance of the code of conduct for the directors formulated under Clause 49 of the Listing Agreement.

As may be decided by the Board, you may be nominated / required to serve on one or more of the Committees of the Board. The Board is responsible for constituting and fixing terms of Committees and its members. The Chairperson of the Board, in consultation with the Chairperson of the Committee, determines the frequency and duration of the committee meetings. Recommendations of the Committees are submitted to the Board for approval.

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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 or its Committees as may be decided by the Board from time to time. Further you will also be paid remuneration by way of commission as may be approved by the Board and the shareholders from time to time.

Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement. The term of Independent Director should be construed as defined under the Companies Act, 2013 and the Listing Agreement.

**(B) EXPECTATION OF THE BOARD FROM THE APPOINTED DIRECTOR; THE BOARD-LEVEL COMMITTEE(S) IN WHICH THE DIRECTOR IS EXPECTED TO SERVE AND ITS TASKS:**

As a Non-Executive 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 corporate governance. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Hyderabad.

**(C) FIDUCIARY DUTIES THAT COME WITH SUCH AN APPOINTMENT ALONG WITH ACCOMPANYING LIABILITIES:**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature as under:

- You shall act in accordance with the Company's Articles of Association.
- 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 interest of the Company.
- You shall discharge your duties with due and reasonable care, skill and diligence.
- 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.

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- You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- You shall not assign your office as Director and any assignments so made shall be void.

(D) PROVISION FOR DIRECTORS AND OFFICERS (D AND O) INSURANCE, IF ANY:

The Company maintains a Directors and Officers insurance policy (D & O Policy) to cover personal liabilities of directors and officers for claims made against them while serving on the Board and / or as an officer of the Company as may be admissible as per the terms and conditions stipulated in the Policy. This is further subject to certain exclusions from the coverage as may be stipulated in the said Policy.

(E) CODE OF BUSINESS ETHICS THAT THE COMPANY EXPECTS ITS DIRECTORS AND EMPLOYEES TO FOLLOW:

Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

All information acquired during your appointment is confidential to NBVL and should not be released, either during your appointment or subsequently in any manner 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 reasonable request, you shall surrender any documents and other materials to NBVL as made available to you by it.

Your attention is also drawn to the requirements under the applicable regulations and the NBVL Policy and procedures for prevention of insider trading which concern the price sensitive information and dealing in the securities of NBVL. 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.

You are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

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## (F) LIST OF ACTIONS THAT A DIRECTOR SHOULD NOT DO WHILE FUNCTIONING AS SUCH IN THE COMPANY:

- It is expected that you will not serve on the boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.
- Subject to applicable law, independent directors are eligible to serve for another term of five consecutive years with the approval of the special resolutions.

## (G) REMUNERATION, MENTIONING PERIODIC FEES, REIMBURSEMENT OF EXPENSES FOR PARTICIPATION IN THE BOARDS AND OTHER MEETINGS AND PROFIT RELATED COMMISSION, IF ANY:

The compensation of the non-executive/independent directors is approved at a meeting of the Board of Directors. The total compensation payable to the entire group of non-executive / independent director is limited to a fixed amount per year determined by the Board. This amount shall not exceed 1% of the net profits of the Company for the year calculated as per provisions of the Companies Act, 2013. The shareholders earlier approved an overall remuneration of ₹20 lakhs to all the Non-Executive and Independent Directors put together for every FY.

The non-executive / independent directors would be entitled to the reimbursement of expenditure that may be incurred in travelling to the place of the Board Meetings and other Committee meetings of the Company and back to their normal place of residence.

- (a) Air fare from the normal place of residence to the place of the Board or Committee meetings and back to their normal place of residence.
- (b) Accommodation at the guest house of the Company or any hotel as the case may be for the duration of the Board or Committee meetings, and during the day prior to and after such meetings.
- (c) Out-of-pocket expenses, like conveyance, boarding and incidentals that may be incurred during the days of the Board and Committee meetings.

Yours sincerely  
For and on behalf of  
Nava Bharat Ventures Limited



Chairman

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed C V Reddy .....

Dated : 8<sup>th</sup> August, 2014