

# **ASHTASIDHHI INDUSTRIES LIMITED**

## **(FORMELY KNOWN AS GUJARAT INVESTA LIMITED)**

**CIN: L17100GJ1993PLC018858**

**Regd. Office: 252, New Cloth Market, Opp. Raipur Gate, Ahmedabad - 380002.**

**Phone: 079-22172949**

**Fax: +91-79-25733663**

**E-Mail: [gujarat.investa@gmail.com](mailto:gujarat.investa@gmail.com)**

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### **TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTOR**

#### **1. The Term and Tenure of the Appointment:**

The term Independent Director (hereinafter referred to as "ID") should be construed as defined under the section 149(6) of the Companies Act, 2013 and as per the listing agreement.

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement.

Accordingly, the Independent Directors will serve for not more than two terms of maximum five years each on the Board of the Company. The Company is at liberty to disengage Non-Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013 applicable at a particular time.

#### **2. Board Committees:**

As advised by the Board, during the tenure of office of ID, he/she may be required to serve on one or more of the Committees of the Board established by the Company. Upon his/her appointment to any one or more Committees, he/she will be provided with the appropriate Committee charter which sets out the functions of that Committee. His/her appointment on such Committee(s) will be subject to the applicable regulations.

Currently, the Board has three committees: Audit Committee, Nominations and Remuneration Committee, and Stakeholders' Relationship Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. Recommendations of the committees are submitted to the Board for approval.

#### **3. Training of the Board:**

Every new ID of the Board attends an orientation program whatever held by the Company. Presentations will be made by executive directors / senior managerial personnel/Company Secretary. The presentations cover an over view of Company's strategy and operations to familiarize the new inductees about the strategy, operations and functions of the Company. The purpose is also to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

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#### **4. Time Commitment:**

As a Non-Executive Independent Director, he/she is 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 financial probity and corporate governance.

The Board meets at least FOUR times in a year. The Audit Committee also meets at least FOUR times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee, which are ordinarily convened as per requirement under the Companies Act, 2013 and Listing Agreement. The ID will be expected to attend the meetings of Board of Directors, Board Committees to which he/she may be appointed and Shareholders meetings and to devote such time to his/her duties, as appropriate for him/her to discharge his/her duties effectively. Ordinarily, all meetings are held in Ahmedabad except General Meeting which Company held at the registered office of the Company.

By accepting appointment, the ID confirms that he/she is able to allocate sufficient time to meet the expectations from his/her role to the satisfaction of the Board.

#### **5. Role and function:**

As an independent director, he/she 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;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) Satisfy 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;

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- 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.

### **6. Duties:**

As an Independent director, he/she shall—

- 1) Undertake appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the Company;
- 2) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the company;
- 3) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts. The cost of the advice will be reimbursed by the Company but he/she should ensure, so far as is practicable, that it is reasonable.
- 4) Strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- 5) Participate constructively and actively in the committees of the Board in which he/she is chairperson(s) or member(s);
- 6) Strive to attend the general meetings of the Company;
- 7) Where he/she is concerned about running of the Company or a proposed action, ensure that they are addressed by the Board and, to the extent that they are not resolved, insist that his/her concerns are recorded in the minutes of the Board meeting;
- 8) Keep himself/herself 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;

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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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

12) Acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and 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.

14) Keep governance and compliance with the applicable legislation and regulations under review and the conformity of RDL practices to accepted norms.

### **7. Status of Appointment:**

The ID will not be an employee of the Company and the letter of his/her appointment shall not constitute a contract of employment. He/she will be paid remuneration by way of setting fees for meetings of the Board and its Committee as may be decided by the Board and approved by the Shareholders, if required, from time to time.

### **8. Disclosure of Interest:**

The Company must include in its Annual Accounts a note of any material interest that a Director may have 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 interest of director appropriately and Company's records are updated. A general notice that the ID is interested in any contracts with a particular person, firm or company is acceptable.

### **9. Board and Individual Director Evaluation Processes:**

The performances of the board as a whole, its committees and individual directors are evaluated annually. If, in the meantime, there are any matters which cause the director concern about his/her role then he/she should discuss them with the Chairman of the board as soon as appropriate.

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## **10. Re-appointment:**

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

## **11. Dealing in shares and Code of Conduct:**

Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are required to pre-clear all trades (buy/sell/gift) from the Compliance Officer. The ID is required to comply with the applicable insider trading laws and regulations. The ID is required to comply with the Company's Code of Conduct.

## **12. Termination:**

- a) The ID may resign from his/her position at any time and should he/she wish to do so, he/she may serve a reasonable written notice on the Board.
- b) Continuation of his/her appointment is contingent on his/her getting re-election 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. The ID will not be entitled to get the compensation if the shareholders do not re-elect him/her at any time.
- c) The appointment of ID may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force by following the procedure prescribed under the Companies Act, 2013.

## **13. Confidentiality:**

All the information acquired by ID during his/her appointment is confidential to the Company and should not be disclosed either during his/her appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman of the Company.

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