

APPOINTMENT LETTER

06th February, 2015

To,
Mr. Singara Babu Indira Kumar,
No: 5, Lakshmi Talkies Road,
Shenoy Nagar,
Chennai- 600030.

**Sub: Appointment letter as the Independent Director on the Board of
M/s. Vitan Agro Industries Limited**

Dear Mr. Singara Babu Indira Kumar,

This is to inform your good self that the Board of Directors of the Company at the meeting held on 06th February, 2015 has passed a Resolution to appoint you as the Additional cum Independent Director of the Company w.e.f 10th February, 2015 on the terms of appointment as mentioned below;

1. Your appointment will be subject to approval of the Shareholders at the ensuing General Meeting.
2. Your appointment will be for a Period of 5 years ending 09th February, 2019.
3. The Roles and Responsibilities of an Independent Director are as follows;

The independent directors shall:

- a. 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;
- b. Bring an objective view in the evaluation of the performance of board and management;
- c. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;





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(Formerly Vitan Departmental Stores & Industries Ltd.)

CIN No. : L52321TN1987PLC014433

- d. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
 - e. Safeguard the interests of all stakeholders, particularly the minority shareholders;
 - f. Balance the conflicting interest of the stakeholders;
 - g. 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;
 - h. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
4. The Board of Directors of the Company expects you to continue undertake the additional Responsibilities as follow;
- a. Being the Chairman of the "Audit Committee" of the Company
 - b. Being the Member of the "Stakeholders Relationship Committee"
 - c. Being the Member of the "Nomination and Remuneration Committee"

The terms of the above mentioned committees are attached in the **Annexure I & II & III Respectively.**

5. The Duties of an Independent Directors are as follows;

The independent directors shall:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the company;
- f. 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;





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- g. keep themselves well informed about the company and the external environment in which it operates;
 - h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
 - i. 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;
 - j. 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;
 - k. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
 - l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
 - m. not disclose confidential information, including commercial secrets, technologies,
 - n. advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
6. The Company at present do not provide any insurance to Key Managerial Personals or Directors or other Officers of the Company.
7. The Code of Ethics which the Company expects every Independent director to follow are as follows;

An independent director shall—

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising his duties;
- c. exercise his responsibilities in a *bona fide* manner in the interest of the company;
- d. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e. 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;





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- f. not abuse his position to the detriment of the company or its shareholders or for
 - g. the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
 - h. refrain from any action that would lead to loss of his independence;
 - i. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
 - j. assist the company in implementing the best corporate governance practices.
8. Furthermore the Company expects you not to breach the interest of the Company. If any situation so arises, where there is a conflict of interest, so identified by you, you are directed to intimate the Company immediately.
9. The Company at present do not pay any remuneration to the Independent Directors, by whatever name called, like, sitting fees, remuneration, commission on profit, etc, except for reimbursement of expenses so incurred by the Director to attend the meeting of the Board or any committee thereof.

We have enclosed with this letter, extracts of the Minutes of the Board Meeting of Vitan Agro Industries Limited held on 06th February, 2015 as **Annexure IV**;

Hoping to have a pleasant and successful association with you.

By the order of the Board.

Yours faithfully,

FOR VITAN AGRO INDUSTRIES LIMITED

Shyam Sundar

DINANATH SHYAMSUNDAR

(DIN:06428256)

WHOLE TIME DIRECTOR



TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
5. Examination of the financial statement and the auditors' report thereon;
6. Approval or any subsequent modification of transactions of the company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Appointment, removal and terms of remuneration of internal auditor.
11. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference, but not restricted to:
 - a. Matters required to be included in the Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to the financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
12. Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchange;
13. Monitoring the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for



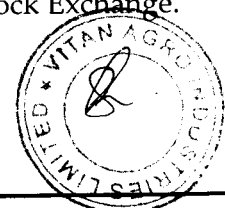


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- purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
14. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 16. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
 17. Discussing with internal auditors on any significant findings and follow up thereon.
 18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
 21. To review the functioning of the 'whistle blower/Vigil Mechanism' mechanism, when the same is adopted by our Company and is existing.
 22. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;
 24. The Audit Committee shall mandatorily review the following information:
 - a. Management discussion and analysis of financial information and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
 25. Terms of reference, power, quorum and other matters in relation to the Audit Committee will be as per of Listing Agreement of the Specific Stock Exchange."



**TERMS OF REFERENCE OF THE
STAKEHOLDERS RELATIONSHIP COMMITTEE**

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholders and investor complaints in relation to transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares
4. Issue of duplicate / split / consolidated share certificates;
5. Allotment and listing of shares;
6. Review of cases for refusal of transfer / transmission of shares and debentures;
7. Reference to statutory and regulatory authorities regarding investor grievances;
8. Ensure proper and timely attendance and redressal of investor queries and grievances.
9. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers.



TERMS OF REFERENCE OF THE
NOMINATION AND REMUNERATION COMMITTEE

1. Ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. while formulating the policy to ensure that—
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
3. To make recommendations for the appointment and removal of directors;
4. Ensure that our Company has in place a programme for the effective induction of new directors;
5. To review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
6. To recommend to the Board, the remuneration packages of our Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
7. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payment;
8. To implement, supervise and administer any share or stock option scheme of our Company; and
9. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

