



September 30, 2014

Mr. Arvind Pandalai
(Independent Director)
15 Regency Farm,
Bhatti Mines Road,
P.O. Sawan Public School,
New Delhi 110 074

Dear Mr. Pandalai

Sub: Appointment as an Independent Director of K.S. Oils Limited (“The Company”)

We are pleased to inform you that the shareholders of K.S. Oils Limited (“The Company”) at their 28th Annual General Meeting held on September 30, 2014, have approved your appointment as an Independent director of the Company as per the provisions of the Section 149, 150 and 152 read with schedule IV of the Companies Act, 2013 (“Act”) for a term of five consecutive years commencing from September 03, 2014.

In term of the requirement of section 149 read with Schedule IV to the Act, your Appointment is being formalized through this letter of Appointment.

This letter sets the terms and conditions of your appointment as an Independent Directors. Your relationship with the Company will be that of an office holder and not one of contract for employment in the Company.

1) Appointment

Subject to the detailed term of this letter, you will hold office for 5 (Five) consecutive years upto March 31, 2019

Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 and as per the Article of Association of the Company.

In compliance with provisions of the Section 149(13) of the Companies Act, 2013 your directorship is not subject to retirement by rotation.

2) Time Commitment

As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board’s discussions and to provide help to the Board with effective leadership in relation to the Company’s strategy, performance, and risk



management as well as ensuing high standards of financial probity and corporate governance.

The Board and the Audit Committee generally meets four times in a year and other Board Committee like nomination and Remuneration Committee and Sub-Committee of Directors meetings are ordinarily convened as per requirements. You will be expected to attend Board and Board Committee 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 held in Morena.

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.

3) **Rules, Functions & Duties**

Directors are in essence trustee and have fiduciary duties towards the shareholders. The general obligations and liabilities of a Director are based on common law principles.

Your role and duties will be those normally required of a Non-Executive Independent Director under the Act and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are more particularly specified under section 166 of the Act as under:

- a) You shall act in accordance with the Companies Article of Association.
- b) You shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company, its employees, the shareholders, the community and for the protection if environment.
- c) You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) You shall not involve 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.
- e) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself o tot your relatives, partners or associates.
- a) You shall not assign your office as an director and any assignment so made shall be void.

In addition to the above, there are certain roles, functions & duties prescribed for Independence Directors, which are fiduciary in nature and are attached as **Annexure – I**.

4) **Board Committees**

As advised by the board, during the tenure of office, you may be required to serve on one or more committees of the Board established by the Company or any such committee that is set up in the future. Currently the Board has five committee; Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee,



Corporate Social responsibility Committee and Management and Finance Committee. As a non-executive director you are expected to bring objectivity and independence of view to the Board's Discussion and help provide the Board with effective leadership in relation to the Company's Strategy performance and risk management

The Term of reference of Committees are attached as **Annexure – II** to this appointment letter.

5) Status of Appointment

You will not be and 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 meeting of the Board and its Committees as may be decided by the Board from time to time.

The Sitting fees presently paid to the Non- Executive Independent Directors is Rs. 15,000/- per meeting of the Board Meeting, Rs. 5000/- for Audit Committee and Nomination and Remuneration Committee Meetings and Rs. 2,500/- for Stakeholders Relationship Committee.

Further, as decided by the Board No sitting fees for Corporate Social Responsibility Committee Meeting and Management and Finance Committee Meeting.

6) Reimbursement of expenses

In addition to the remuneration above, 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.

7) Performance Appraisal/ Evaluation process

As a member of the Board your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board /Committee.

8) Training

You will be entitled to benefit of a training program to formalize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, to goals and long term plans and objectives.

9) Disclosure of Interest



Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangements comes up at a Board Meeting so that the minutes may record your interest appropriately and our record are updated. A general notice that you are interested in any contract with a particular person, form or company is accepted.

10) Code of Conduct

During the appointment you are required to comply with regulations as contained in schedule IV under the Companies Act, 2013 and Listing Agreement, including the following codes of conduct of the Company:

- i) Code of Conduct for the Board of Directors and Senior Management of the Company; and
- ii) Code for prevention of Insider Trading and Such other requirement as the Board of Directors may specify from time to time.

11) Publication of the Letter of Appointment

In the Line with the provision of Companies Act, 2013 and Listing Agreement, the terms and conditions of your appointment and will be displayed on the Company's website and will also be informed to Stock Exchanges.

12) Re-appointment & Termination

- a) Re-appointment for the second term shall be based on recommendation of the Nomination and Remuneration Committee and subject to approval of the Board and the Shareholders. Your re-appointment would be considered by the Board, based on the outcome of the performance evaluation process and your continuance to meet independence criteria.
- b) Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013 and Article of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders don not re-elect you at any time.
- c) You may resign from your position at any time should wish to do so, you are requested to serve a reasonable written notice to the Board. In term of provisions of the Companies Act, 2013 you are required to file a copy of your resignation letter with the Registrar of Companies
- d) Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Article of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013



13) General

This letter and any non-contractual obligation arising out of or in connection with the letter are governed by, and shall be construed in accordance with the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Madhya Pradesh.

Please confirm your agreement to the above by signing and returning the enclosed duplicate copy of this letter.

We are confident that the Board and the Company will benefit immensely from your rich experience. We are sure that with your continued guidance and support, the Company will be able to accomplish its goals and objectives. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours sincerely

Ramesh Chand Garg
Managing Director
DIN : 00027025
K.S. Oils Limited

I have read and agree to the above terms regarding my appointment as an Independent Director of K.S. Oils Limited.

Mr. Arvind Pandalai
Independent Director
DIN : 00352809



Annexure – I

CODE FOR INDEPENDENT DIRECTORS AS PER SCHEDULE IV OF THE COMPANIES ACT, 2013

Guidelines of Professional Conduct:

- 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

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;
- 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.

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;
- 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.

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 formalized 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.

Re-appointment:

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

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.

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:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) 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.

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.



Annexure – II

I. AUDIT COMMITTEE

The terms of reference of Audit Committee are in accordance with the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement as amended from time to time and include the following:

1. To investigate any activity within this terms of reference and as per Companies Act, 2013 and Clause 49 of the Listing Agreement.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. 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;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
9. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - 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 financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
10. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 10A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for 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.

11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.
15. 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.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism.
- 17A. 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.
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

A. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee



II. STAKEHOLDERS RELATIONSHIP COMMITTEE / INVESTORS GRIEVANCE COMMITTEE

The terms of reference of Stakeholders Relationship Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Redressal of investors complaints;
2. Allotment of shares, approval and monitoring of transfer or transmission of equity shares, debentures or any other securities and allied matters;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
4. Non-receipt of declared dividends, balance sheets of the Company, etc;
5. To investigate any activity within its terms of reference;
6. To seek information from any shareholders and Directors;
7. To obtain outside legal or other professional advice or secure attendance of outsiders with relevant expertise;
8. Recommending the appointment and removal of secretarial auditor, fixation of audit fee and also approval for payment for any other services;
9. Reviewing with management any changes in the share transfer policies and practices, qualification in draft secretarial audit report, significant adjustments arising out of audit and compliance with secretarial standard;
10. Compliance with stock exchanges and legal requirements concerning financial statements; and
11. Carrying out any other function contained in the Companies Act, 2013, Rules made thereunder and Listing Agreement as and when amended from time to time.

III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The terms and reference of Corporate Social Responsibility Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Overseeing the Companies spending on the corporate social Responsibility;
2. Recommending the Board, for the Spending over activities which may be prescribed by the Central government as per Companies Act, 2013, and Rules made thereunder(as may be amended time to time);
3. Review the spending time to time;
4. May obtain any outside professional advice or appoint any person from the company to find out nearby areas where financial help can be provide;
5. Where necessary for fulfilling its duties, to obtain any outside legal or other professional advice;



6. Delegate any of its power, if required, to one or more members; and
7. Review, consider and advice to the board any other matter related to the Corporate Social Responsibility.

IV. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Decision on any change in remuneration and terms and conditions of employment of whole time directors and key management personnel of the Company;
2. Identification of the Executive or Non-Executive Directors to become directors ;
3. Evaluation of every Directors performance in yearly basis;
4. Determining and evaluate the educational qualifications, positive attributes and independence of the Director for the appointment of Independent Directors;
5. Formulate the policy relating to the remuneration for the directors and motivate directors for the quality required to run the company successfully;
6. Recommend remuneration for Non-Executive directors to the members, if any;
7. Recommend retirement benefits to be paid to managing or whole time directors
8. Determine the terms of any compensation package in the event of early termination of the contract of any executive director;
9. Where necessary for fulfilling its duties, to obtain any outside legal or other professional advice; and
10. Delegate any of its power, if required, to one or more members.

V. MANAGEMENT AND FINANCE COMMITTEE

The terms of reference of Management and Finance Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Overview the day to day working of the Company;
2. Power to authorize the persons/officers/ Directors or any other person in relation to representation before the government authorities, courts, quasi judicial bodies, banks and any other authorities as may be required;
3. Overview and take actions on the works of urgent matters and minutes of the Meeting shall place before the Board in next board meeting.
4. Delegate any of its power, if required, to one or more members; and
5. Review, consider and advice to the board any other matter related to the Management of the Company.



September 30, 2014

**Mr. Boda Venkat Ram
(Independent Director)
B-406, SN Reddy Nagar,
Sagar Road, Champapet,
Hyderabad - 500 079
Andhra Pradesh**

Dear Mr. Venkat Ram

Sub: Appointment as an Independent Director of K.S. Oils Limited (“The Company”)

We are pleased to inform you that the shareholders of K.S. Oils Limited (“The Company”) at their 28th Annual General Meeting held on September 30, 2014, have approved your appointment as an Independent director of the Company as per the provisions of the Section 149, 150 and 152 read with schedule IV of the Companies Act, 2013 (“Act”) for a term of five consecutive years commencing from September 03, 2014.

In term of the requirement of section 149 read with Schedule IV to the Act, your Appointment is being formalized through this letter of Appointment.

This letter sets the terms and conditions of your appointment as an Independent Directors. Your relationship with the Company will be that of an office holder and not one of contract for employment in the Company.

1) Appointment

Subject to the detailed term of this letter, you will hold office for 5 (Five) consecutive years upto March 31, 2019

Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 and as per the Article of Association of the Company.

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2) Time Commitment

As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board’s discussions and to provide help to the Board with effective leadership in relation to the Company’s strategy, performance, and risk



management as well as ensuing high standards of financial probity and corporate governance.

The Board and the Audit Committee generally meets four times in a year and other Board Committee like nomination and Remuneration Committee and Sub-Committee of Directors meetings are ordinarily convened as per requirements. You will be expected to attend Board and Board Committee 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 held in Morena.

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.

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- b) You shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company, its employees, the shareholders, the community and for the protection if environment.
- c) You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) You shall not involve 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.
- e) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself o tot your relatives, partners or associates.
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Further, as decided by the Board No sitting fees for Corporate Social Responsibility Committee Meeting and Management and Finance Committee Meeting.

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- c) You may resign from your position at any time should wish to do so, you are requested to serve a reasonable written notice to the Board. In term of provisions of the Companies Act, 2013 you are required to file a copy of your resignation letter with the Registrar of Companies
- d) Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Article of Association of the Company or on



failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013

13) General

This letter and any non-contractual obligation arising out of or in connection with the letter are governed by, and shall be construed in accordance with the laws of india, and the parties agree to submit to the exclusive jurisdiction of the courts of Madhya Pradesh.

Please confirm your agreement to the above by signing and returning the enclosed duplicate copy of this letter.

We are confident that the Board and the Company will benefit immensely from your rich experience. We are sure that with your continued guidance and support, the Company will be able to accomplish its goals and objectives. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours sincerely

Ramesh Chand Garg
Managing Director
DIN : 00027025
K.S. Oils Limited

I have read and agree to the above terms regarding my appointment as an Independent Director of K.S. Oils Limited.

Mr. Boda Venkat Ram
Independent Director
DIN : 03476912



**CODE FOR INDEPENDENT DIRECTORS AS PER SCHEDULE IV OF THE
COMPANIES ACT, 2013**

Guidelines of Professional Conduct:

- 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

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;
- 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.

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;
- 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.

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 formalized 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.

Re-appointment:

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

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.

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:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) 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.

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.



I. AUDIT COMMITTEE

The terms of reference of Audit Committee are in accordance with the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement as amended from time to time and include the following:

1. To investigate any activity within this terms of reference and as per Companies Act, 2013 and Clause 49 of the Listing Agreement.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. 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;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
9. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - 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 financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
10. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 10A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for 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.



11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors any significant findings and follow up there on.
14. 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.
15. 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.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism.
- 17A. 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.
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

A. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee



II. STAKEHOLDERS RELATIONSHIP COMMITTEE / INVESTORS GRIEVANCE COMMITTEE

The terms of reference of Stakeholders Relationship Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Redressal of investors complaints;
2. Allotment of shares, approval and monitoring of transfer or transmission of equity shares, debentures or any other securities and allied matters;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
4. Non-receipt of declared dividends, balance sheets of the Company, etc;
5. To investigate any activity within its terms of reference;
6. To seek information from any shareholders and Directors;
7. To obtain outside legal or other professional advice or secure attendance of outsiders with relevant expertise;
8. Recommending the appointment and removal of secretarial auditor, fixation of audit fee and also approval for payment for any other services;
9. Reviewing with management any changes in the share transfer policies and practices, qualification in draft secretarial audit report, significant adjustments arising out of audit and compliance with secretarial standard;
10. Compliance with stock exchanges and legal requirements concerning financial statements; and
11. Carrying out any other function contained in the Companies Act, 2013, Rules made thereunder and Listing Agreement as and when amended from time to time.

III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The terms and reference of Corporate Social Responsibility Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Overseeing the Companies spending on the corporate social Responsibility;
2. Recommending the Board, for the Spending over activities which may be prescribed by the Central government as per Companies Act, 2013, and Rules made thereunder(as may be amended time to time);
3. Review the spending time to time;
4. May obtain any outside professional advice or appoint any person from the company to find out nearby areas where financial help can be provide;
5. Where necessary for fulfilling its duties, to obtain any outside legal or other professional advice;
6. Delegate any of its power, if required, to one or more members; and



7. Review, consider and advice to the board any other matter related to the Corporate Social Responsibility.

IV. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of Nomination and Remuneration Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Decision on any change in remuneration and terms and conditions of employment of whole time directors and key management personnel of the Company;
2. Identification of the Executive or Non-Executive Directors to become directors ;
3. Evaluation of every Directors performance in yearly basis;
4. Determining and evaluate the educational qualifications, positive attributes and independence of the Director for the appointment of Independent Directors;
5. Formulate the policy relating to the remuneration for the directors and motivate directors for the quality required to run the company successfully;
6. Recommend remuneration for Non-Executive directors to the members, if any;
7. Recommend retirement benefits to be paid to managing or whole time directors
8. Determine the terms of any compensation package in the event of early termination of the contract of any executive director;
9. Where necessary for fulfilling its duties, to obtain any outside legal or other professional advice; and
10. Delegate any of its power, if required, to one or more members.

V. MANAGEMENT AND FINANCE COMMITTEE

The terms of reference of Management and Finance Committee are in accordance with the Companies Act, 2013 and Listing Agreement as amended from time to time and include the following:

1. Overview the day to day working of the Company;
2. Power to authorize the persons/officers/ Directors or any other person in relation to representation before the government authorities, courts, quasi judicial bodies, banks and any other authorities as may be required;
3. Overview and take actions on the works of urgent matters and minutes of the Meeting shall place before the Board in next board meeting.
4. Delegate any of its power, if required, to one or more members; and
5. Review, consider and advice to the board any other matter related to the Management of the Company.