



GLITTEK GRANITES LTD

Dated:29.09.2014

To
Shri A. Venhatesh
No. 18, 9th Cross, Vasanthnagar
Bangalore 560 052

Dear Sir,

Sub.: Your appointment as an Independent Director of the Company as per Companies Act, 2013

On behalf of all the Board members of Glittek Granites Ltd., I would express my gratitude to you for your significant contribution as an independent Board member to the Company.

The purpose of this letter is to inform you about the new provisions related to the independent Director (ID) introduced under the new Company law i.e Companies Act, 2013. The Act, 2013 has specifically defined the roles, duties, liabilities and the manner of appointment of IDs on the Board and various Committees of the Company. The newly enacted Companies Act 2013 and the recent amendments by SEBI to the listing agreement require that a Company should issue appointment letter to all its Independent Directors.

You have already been a member of Board since long and have been performing your expected role. However, in fulfillment of the requirements of Section 149 read with Schedule IV (Annexure-A) to the Companies Act, 2013 (the "Act") read with revised Clause 49 of the Listing Agreement, we are pleased to inform you that the shareholders of the Company at the 24th Annual General Meeting held on 29th September, 2014 have passed the resolution for your appointment as an Independent Director of the Company.

As per the requirement of the Companies Act, 2013, the above is being formalized through this letter of appointment to you. The terms of your appointment, as set out in this letter, are subject to the extant provisions of the:

- i. applicable laws, including the Act and Clause 49 of the Standard Listing Agreement, as amended from time to time (Listing Agreement) and;
- ii. Articles of Association of the Company

The terms and conditions of appointment are as follows:

Appointment:

Your appointment is for a consecutive period of five years for a term upto 5(Five) years commencing from 29th September, 2014 to 28th September, 2019 during which you are not liable to retire by rotation. This tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a director under the applicable regulations.

Your performance as an independent director shall be evaluated as per the criteria laid down by the Nomination and Remuneration Committee. By signing this Letter of Appointment, you agree to submit yourself to such evaluation.

Your re-appointment at the end of the term shall be based on the recommendation of the Nomination Committee, approval of the Board of Directors and the shareholders. Your re-appointment will be considered by the Board based on the report of your performance evaluation by the Board of Directors and you continue to meet the independence criteria. The re-appointment would require special resolution of shareholders and any other necessary approvals.

You may cease to hold the office of an independent director by:

- (a) giving written notice of resignation to the Company as well as to the Ministry of Company Affairs; or
- (b) on completion of your term of office, as pursuant to the provisions of the Act and the Listing Agreement you are eligible for only 1(one) term of 5 years; or
- (c) on the happening of an event mentioned in the Act, or in the Articles of Association of the Company that results in vacation of office of a director; or
- (d) your removal pursuant to the provisions of the Act.

Expectation of the Board

You are expected to provide your expertise and experience in the functioning of the Board and the Committees of the Board you may be appointed. In addition to routine board meetings, you should allow time for committee meetings, preparatory work and ensure that you are in a position to make the necessary overall time commitment.

You may be nominated to one or more committees of the Board and in such event you will be provided with the relevant Committee's term of reference and any specific responsibilities.

As per the Board's current assessment, you will be the Chairman/member of the following Board Committees:

- | | | |
|-----|---------------------------------------|----------|
| i) | Audit Committee | Chairman |
| ii) | Nomination and Remuneration Committee | Chairman |

The Roles and Functions of Committees are provided at Annexure-B and C. The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

As an independent director you should strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- (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 and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectation of your role.

Role Duties and Responsibilities

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 the same are specified under Section 166 of the Act.

In addition to the above requirements, you are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time. While performing such duties, roles and functions, you will be required to abide by the 'Guidelines of Professional Conduct' as stated under the said Schedule.

Directors & Officers (D&O) Insurance

Presently, the Company has no D&O liability insurance policy. However, if the Company takes such a policy then a copy of the same will be supplied to you on request.

Code of Conduct / Excluded Actions

You will follow the Code of Conduct of the Company and furnish annual affirmation of the same.

You will apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the tenure as Independent Director or at any time after its cessation) any confidential information concerning the Company including any subsidiary or associate thereof with which you come into contact by virtue of your position as a Director, except as permitted by law or with prior clearance from the Chairman of the Board.

We would also like to draw your attention to the applicability of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 (as enclosed), which inter-alia prohibits disclosure or use of unpublished price sensitive information. You should not make any statement(s) that might risk a breach of the requirements specified under the said



statute unless the same is required under any law or the same is required for the purpose of compliance of any direction, order, etc. issued/given by any judicial authority. Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

The list of actions that a director should not do while functioning as such in the Company:-

You shall not

- i. Misuse the information in their possession for personal gains.
- ii. Engage in any way (both directly and indirectly) with the competitors
- iii. In any way indulge in activities which may construct as conflict of interest.
- iv. Break any law of the land or indulge or provoke the co-directors or employees to do the same.
- v. Enter into any contract or arrangements wherein he is directly or indirectly interested.

The above list is only indicative and not exhaustive.

Remuneration:

You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees as may be decided by the Board from time to time, subject to approval of the shareholders, if required.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company.

Induction and Development

The Company shall, if required, conduct formal induction program for its Independent Directors.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

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.

General

All the terms as mentioned above including your appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements under the Listing Agreement, as amended from time to time.

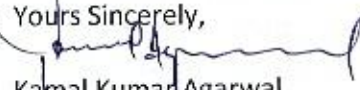
Governing Law

This agreement 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

Kindly confirm your agreement to the terms set out above by signing the endorsement on the enclosed copy of this. In returning this letter duly signed, you agree that the Company may make this letter publicly available.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,


Kamal Kumar Agarwal
Managing Director
(DIN:00050191)

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.



Signature

Name :A.Venkatesh

DIN :01047632

Encl: As Above

SCHEDULE IV

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment 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;
- (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 objective 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 behavior, 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.

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 fulfills 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.

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 fulfills 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:
 - (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.

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.



Annexure-B

Terms of Reference of Audit Committee:

Pursuant to the provisions of Section 177(4) of the Companies Act, 2013, the terms of reference and powers of the Audit Committee are given below:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters;
- (ix) authority to investigate into any matter in relation to the items specified under (i) to (viii) above;
- (x) call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors;
- (xi) review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the company;
- (xii) establish and oversee a vigil mechanism for directors and employees to report their genuine concerns or grievances with adequate safeguards against victimization of persons who use such mechanism;

II. Pursuant to revised Clause 49 of the Listing Agreements, applicable with effect from 01-10-2014, the Audit Committee shall have the powers, role and authority to review as detailed below:

A. Pursuant to Clause 49 (III) (C) the Audit Committee will have the power to:

1. To investigate any activity within its terms of reference.
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.

B. Pursuant to Clause 49 (III) (D) the Audit Committee's role will include carrying out all or any of the following activities:

1. Oversight of 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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - 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
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. 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 and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

C. Pursuant to Clause 49 (III) (E) 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;

Annexure-C

Nomination and Remuneration Committee: Pursuant to sub-sections (2) and (3) of Section 178 the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the terms of reference and powers of the Nomination and Remuneration Committee are given below:

- (a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (b) 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 the Committee should 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:

II. Pursuant to revised Clause 49 (IV) (B) of the Listing Agreement, the Committee's role will be:

- 1. formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2. formulate criteria for evaluation of Independent Directors and the Board;
- 3. devise a policy on Board diversity;
- 4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.