

Ref. No. AFL/ID/BM/2023-24/

Date: 6th August, 2024

Smt. Y Prameela Rani (DIN 03270909)
Flat No.101, Akshara Enclave,
Plot No.33, Kalyan Nagar – II,
Hyderabad – 500 038, Telangana State, India.

Dear Madam,

Terms of appointment of Independent Director.

We are pleased to inform that the Board at its meeting held on 22nd May, 2024 recommended your appointment as an Independent Director (Non-Executive) to the Members of Avanti Feeds Limited (the ‘Company’), at the ensuing 31st Annual General Meeting of the Company to be held on 06th August, 2024 for a period of 5 years with effect from 9th August, 2024 (first term) pursuant to provisions of section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The terms of your appointment as Non-Executive & Independent Director are set out below. Kindly indicate your acceptance of these terms by countersigning a copy of this appointment letter and returning it to the Company.

By accepting this appointment, you confirm that you are not subject to any restrictions which prevent you from holding office as an Independent Director.

1. TERM OF OFFICE:

Your appointment as Independent Woman Director will be for a period of 5 consecutive years w.e.f. 9th August, 2024.

1.2 Your appointment may be terminated forthwith by the Company if you:

- 1.2.1 are removed as a Director by a resolution passed at a General Meeting or you cease to be a Director by reason of your vacating office pursuant to any provision of the applicable laws and under the Article of Association of the company.
- 1.2.2 abuse your 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;
- 1.2.3 become disqualified or prohibited from being or acting as a Director of a company by law;

1.2.4 become disqualified or lose independence as an Independent Director of the company in terms of S.149(6) of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015.

2. DUTIES:

2.1 During the continuance of your appointment you will:

2.1.1 faithfully, efficiently, competently, diligently, perform your duties as an Independent Non-Executive Director and carry out all reasonable and lawful directions given by or under the authority of the Board and use your best endeavours to promote and extend the interests and reputation of the Company;

2.1.2 comply with the Articles of Association of the company, Code of Conduct for Independent Directors, any relevant internal guidelines and codes, including (but not limited to) the Code of Ethics and Business Conduct for Board and Senior Management and Code on Insider Trading.

2.1.3 attend the Board/Committee meetings, extraordinary and annual general meetings of the Company as and when required; and

2.1.4 promptly declare, so far as you are aware, the nature of any interest, whether direct or indirect, in any contract or proposed contract entered into by the Company.

2.1.5 Comply with the Code of Conduct for Prevention of Insider Trading, pursuant to SEBI (Prohibition of Insider Trading) Regulations, prescribed by the Board from time to time.

2.1.6 Follow the Code for Independent Directors as provided under Schedule IV to the Companies Act, 2013, a copy of the same is enclosed as an **Annexure-I**.

2.1.7 The duties of a director are provided in section 166 of the Companies Act, 2013. Provisions of section 166 are provided in enclosed **Annexure-II**.

2.2 The Company has established Audit Committee, Nomination and Remuneration Committee, CSR Committee, Stakeholders Relationship Committees and Risk Management Committee. As an Independent Director, you may be appointed by the Board to be a member of such Committees as the Board may decide. You will be expected to serve such Committees as may be decided by the Board and attend meetings of such Committees and serve

on any other Committees as the Board may require from time to time and exercise any functions as are specifically delegated to you from time to time by the Board.

- 2.3 As an Independent Director, you have the same general legal responsibilities to the Company as any other member of the Board in ensuring the integrity of the company's accounting and financial reporting systems, including the independent Audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, financial and operational control, and compliance with the laws and relevant standards.
- 2.4 As an Independent Director, you will comply with the relevant provisions of the Companies Act, 2013, Clauses of Listing Regulations entered with Stock Exchanges and other applicable laws and regulations.
- 2.5 Any communication with or requests for information by press, investors, market analysts or other third parties should be referred to the Chairman for the time being of the Company.
- 2.6 The Company confirms that:
 - 2.6.1 you will be entitled to full access to all Board papers and accompanying documentation and should you require further information at any time you should contact the Company Secretary or delegated appointee;
 - 2.6.2 you will be given full access to all information in or about the Company and its affairs which is available to the Directors;
 - 2.6.3 you will be advised sufficiently in advance of the dates of the meetings of the Board and meetings of the Committees to be attended by you, other than meetings in respect of urgent business;
 - 2.6.4 the agenda for each meeting of the Board and Committee and all relevant and associated papers will normally be provided to you in advance of each meeting; and
- 2.7 As an Independent Director, you should note that you do not have authority to commit the Company in any way, without the express authorisation of the Board.
- 2.8 By your acceptance of this appointment as an Independent Director, you confirm that you are able to devote sufficient time to meet the expectations of

your role. You are not expected to undertake any executive duties or to assume executive responsibilities of the Company.

- 2.9 If matters arise which causes you concern about your role, you may discuss these matters with the Chairman & Managing Director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other reason, you may provide an appropriate written statement to the Chairman for circulation to the Board.

3.0 FEES AND OTHER BENEFITS:

- 3.1 You shall be paid Sitting fee for attending each meeting of Board as well as Committee meetings, as per the provisions of Section 197 of the Companies Act, 2013 and Articles of Association of the company and as approved by the Board from time to time. The Sitting fee for attending the Board/Committee Meetings as on date, is Rs.40,000/- [Rupees Forty thousand only]. The Commission as approved by Board and Shareholders shall be payable.
- 3.2 The Company shall reimburse you for all reasonable travel and hotel accommodation and other expenses properly incurred by you in or about the performance of your duties as a Director of the Company (including those incurred for attending any meeting of the Board or any Committee of the Board or other meeting of the Company), provided that, if and when required by the Company, you will produce to the Company receipts or other evidence of actual payment of such expenses.
- 3.3 As an Independent Director you shall not be entitled to any stock options and shall not be covered by any pension scheme.

4. OTHER APPOINTMENTS AND INTERESTS:

- 4.1 By your acceptance of this appointment, you confirm that, apart from those disclosed in writing to the Board, you have no existing causes of likely conflict of interest with the business of the Company. Should the need arise in the future, you are required immediately to disclose any such conflict or potential conflict (including a conflict of interest and/or a conflict with any of your duties to the Company or which might impact the time you are able to devote to the Company) including that which may arise from matters already disclosed to the Board and the Company may at any time require you to cease any conflicting activity as a condition of your office.

4.2 You will ensure that the company is notified of all other companies in which you are a Director at any time in order that statutory records may be kept properly up to date During your tenure as an Independent Director, you are required to give a declaration that you meet the criteria of independence every financial year as provided under Section 149 of the Companies Act, 2013, and SEBI (LODR) Regulations.

5. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION:

5.1 In accepting your appointment, you will agree not to:

5.1.1 directly or indirectly divulge or communicate to any person (other than those of the officials and employees of the Company whose province is to know the same or with the prior written authority of the Company or unless required by law or save to the extent that such disclosure or communication is necessary for the proper performance of your duties); or

5.1.2 make use of, any trade secret, know-how, business information, methods, lists or other secret, private or Confidential Information relating to the affairs of the Company or of its respective customers or clients which you may (whether heretofore or hereafter) have received or obtained while a Director of the Company, or have obtained from any third party on terms restricting its disclosure or use and shall use your best endeavours to prevent the publication or disclosure of the Confidential Information or any part thereof, whether relating to its trade dealings, financial affairs or otherwise, which you may have received or obtained or may hereafter receive or obtain while being a Director of the Company.

5.2 The restrictions contained in this paragraph 5 shall cease to apply to any Confidential Information which may (otherwise than by reason of your default) become available to the public generally. Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information.

5.3 Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman and Managing Director of the company.

6. LIABILITY:

As an Independent Director, you will be liable only in respect of such acts of omission or commission by the company which had occurred with your

knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

7. GENERAL:

7.1 **Directors and Officers (D & O) Policy:** The Company has a valid Directors and Officers Insurance Policy and you are entitled to protection thereunder as per its terms.

7.2 This appointment letter shall be governed by and construed in accordance with the laws of the the Republic of India and each party agrees to submit to the exclusive jurisdiction of the Republic of India as regards any claim or matter arising under this appointment letter.

The terms of your appointment as Non-Executive & Independent Director are set out above is based on the provisions of the Companies Act, 2013, the Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other regulations prevalent at the time of your appointment. Any change in these provisions/laws shall automatically entail changes in the terms of your appointment. Accordingly, you should comply with the law from time to time that is applicable to a person acting as director and as an Independent Director of a Company.

It is a pleasure to have you on board, we are confident that your association, expertise, and advice will immensely benefit the Board and the Company.

Yours sincerely,
For and on behalf of
Avanti Feeds Limited

SD/-
C. Ramachandra Rao
Joint Managing Director
Company Secretary & CFO
(DIN 0026010)

Encl.: As above

ANNEXURE-I**SCHEDULE IV
[See Section 149(8)]
CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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/her duties;
- (3) exercise his/her responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his/her 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/her 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/her independence;
- (8) where circumstances arise which make an independent director lose his/her 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 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.

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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) act within their 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 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 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 2["three months"] 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.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a financial 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.

"Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act,2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies."

ANNEXURE-II

Section 166: Duties of Directors

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his/her office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.