



TERMS OF REFERENCE FOR AUDIT COMMITTEE

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The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Section 177 of the Companies Act, 2013 ("Act").

Broad Terms of Reference of the Audit Committee is as follows:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the Statutory auditors.
- Reviewing with the Management the annual financial statements before submission to the Board, focusing primarily on-
 - ❖ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of section 134 of the Companies Act, 2013
 - ❖ Any changes in accounting policies and practices and reasons for the same
 - ❖ Major accounting entries based on exercise of judgment by management
 - ❖ Significant adjustments made in the financial statements arising out of audit findings
 - ❖ Compliance with Listing and other legal requirements relating to financial statements.
 - ❖ Disclosure of any related party transactions
 - ❖ Modified opinion(s) in the draft audit report.
- Scrutiny of inter-corporate loans and investments
- Any related party transactions as per Accounting Standard 18 and the Companies Act, 2013
- Reviewing and evaluating the Company's financial and risk management policies and risk management systems.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Review the functioning of the whistle blower mechanism

AUTHORITY

The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers it to be necessary
- To have full access to information contained in the records of the

COMPOSITION

- The Audit Committee shall have minimum three members, all being Non-Executive Directors, of which the majority shall be Independent Directors.
- All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.



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- The members of the Audit Committee shall elect a Chairman from amongst themselves, who shall necessarily be an Independent Director.
- The Company Secretary shall act as Secretary to the Committee.

MEETINGS

The Audit Committee shall meet at least 4 times a year and not more than 120 days shall elapse between two successive meetings.

- One meeting shall be held before the annual accounts and quarterly/ half yearly accounts are presented to the Board.
- The quorum for Meetings of the Audit Committee shall be either two members or one-third of the members of the Audit Committee, whichever is higher including two Independent Directors present at the meeting.
- The Finance Director, Internal Auditor and a Representative of the External Auditor should be requested to be present as invitees for the meetings of the Audit Committee.
- The Audit Committee may invite such of the executives, as it considers appropriate (particularly, the head of the finance function), to be present at the meetings of the Committee. Such persons shall not have the right to vote. On occasions the Audit Committee may also meet without the presence of any executive of the Company.
- The Auditors of the Company and the Key Managerial Personnel shall have a right to be heard at the meetings of the Audit Committee when it considers the Auditors' Report but they shall not have the right to vote.

RESPONSIBILITIES

The Audit Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the Board and recommend the same to the Board for its consideration and also oversee compliance of internal control systems.

Review and Examination of Information

- Internal audit reports relating to internal control weaknesses.
- Financial statements and draft auditors' report thereon, including the draft limited review report of the auditors.
- Management discussion and analysis of financial condition and results of operations.
- Reports relating to compliance with laws and to risk management.
Management letters/letters of internal control weaknesses issued by the Statutory /Internal Auditors.
- Evaluation of the internal financial controls, accounting policies, etc. with the management, external and internal auditors, and to review the adequacy of internal control systems
- Discussing with the statutory auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Reviewing and monitoring the auditor's independence and performance and the effectiveness of the audit process

Subsidiary Companies

- Reviewing the financial statements of the subsidiaries, in particular the investments made by the Subsidiary Companies.
- Overseeing compliance with legal and regulatory requirements by its material subsidiaries.



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Related Party Transactions

Transactions with Related Parties or any subsequent modification thereto shall be dealt with by the Audit Committee, as under:

- All Related Party Transactions would require prior approval of the Audit Committee.

The Audit Committee will have the discretion to:

- grant omnibus approval for Related Party Transactions
- recommend / refer any matter relating to Related Party Transaction to the Board for approval.

Others

- Reviewing on a quarterly basis / annual basis the functioning of and compliance with the Company's Whistle Blower Policy.
- Monitoring the end use of funds raised through public offers, rights issues, preferential issues, etc. and related matters on a quarterly basis / annual basis and making appropriate recommendation to the Board.
- Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary and the appointment of Registered Valuer's.

Reporting Responsibilities

- The Directors' Report shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of the members and the Chairperson of the Audit Committee and brief details of meetings and attendance at Audit Committee Meetings.
- The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.
- If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Directors' Report together with the reasons therefore.

Other Responsibilities

- Performing other activities as may be requested by the Board of Directors.
- Carrying out additional functions as contained in the listing regulations or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Instituting and overseeing special investigations as needed.