

Terms of reference of Audit Committee

The terms of reference of Audit Committee which are in accordance with the provisions of section 177 of the Companies Act, 2013 and clause 49 of the listing agreement, are as follows:-

- (a) Recommend to the Board the appointment, re-appointment, fee/remuneration and terms of appointment of the Statutory Auditors and approve payment of fee to the statutory auditors for rendering any other services.
- (b) Discuss with the 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.
- (c) Review and monitor auditor's independence and performance, and effectiveness of Audit Process.
- (d) Oversight of Company's financial reporting process.
- (e) Examination of the quarterly and annual financial statements and the auditors' report thereon and disclosure of related party transactions; review of changes in accounting policies and practices and reasons thereof, significant adjustments made in the financial statements arising out of audit findings and major accounting entries involving estimates based on exercise of judgment by management;
- (f) Review of compliance with listing requirements and matters to be included in Director's Responsibility Statement pursuant to Section 134(5) of the Act;
- (g) Approval of related party transactions and modifications thereof;
- (h) Scrutiny of inter-corporate loans and investments;
- (i) Valuation of undertakings or assets of the company, wherever it is necessary;
- (j) To review the functioning of the Whistle Blower/Vigil Mechanism;
- (k) Evaluation of internal financial controls and risk management systems;
- (l) Review of the adequacy of internal control systems, internal audit function and recommend to the Board the appointment of Internal Auditors.

- (m) Discuss with internal auditors on significant findings and follow up thereon.
- (n) Review the findings of any 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.
- (o) Monitor the end use of funds raised through public/preferential issues and related matters.
- (p) Approve the appointment of CFO.
- (q) Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Review of information by Audit Committee in terms of clause 49 of the listing agreement.

The Audit Committee shall mandatorily review the following information:

- (i) Management discussion and analysis of financial condition and results of operations;
 - (ii) Statement of significant related party transactions;
 - (iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weaknesses; and
 - (v) The appointment, removal and terms of remuneration of the Chief internal auditor.
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