

Terms of reference of Audit Committee

- (a) Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) 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;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions;
 - (vii) Modified opinion(s) in the draft audit report
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (f) 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 issue or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties;
- (j) Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Valuation of undertakings or assets of the Company, wherever it is necessary;

- (m) Appointment of Registered Valuer under Section 247 of the Companies Act, 2013;
- (n) Evaluation of internal financial controls and risk management systems;
- (o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (p) 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;
- (q) Discussion with internal auditors of any significant findings and follow up thereon;
- (r) 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;
- (s) 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;
- (t) 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;
- (u) To review the functioning of the whistle blower mechanism;
- (v) Approval of appointment of chief financial officer (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;
- (w) Ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
- (x) 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.
- (y) Formulating, reviewing and making recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
 - (aa) Reviewing compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time, at least once in a financial year and verifying that the systems for internal control under the said regulations are adequate and are operating effectively;
 - (bb) Investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;
 - (cc) To consider the rationale, cost, benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders and provide comments;

(dd) Reviewing:

- i. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
- ii. Any material default in financial obligations by the Company;
- iii. Any significant or important matters affecting the business of the Company; and

(ee) Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.
