



## **Terms of reference of Audit Committee**

**[As amended on July 21, 2021]**

1. To recommend the appointment/re-appointment/re-placement, remuneration and terms of appointment of the auditors of the Company.
2. To review and monitor auditor's independence and performance and effectiveness of audit process.
3. To approve payment to statutory auditors for any other services rendered by statutory auditors.
4. To review effectiveness of the audit process and adequacy of the internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
5. To examine Financial Statements and Auditors' Report thereon and for this purpose, to call, if necessary, the comments of the Auditors about the following:
  - (i) Internal control systems.
  - (ii) Scope of audit, including observations of Auditors.
6. To recommend the Financial Statement to the Board for approval, after carrying out the procedure mentioned at 5 above.
7. To approve or any subsequent modification, ratification of transactions of the Company with Related Parties, including granting of omnibus approvals subject to such conditions as may be prescribed and reviewing details of statement of significant related party transactions (as may be defined by the Audit Committee) any subsequent modifications.
8. To scrutinize inter-corporate loans and investments made by the Company.
9. To carry out valuation of undertakings and the assets of the Company, wherever it is necessary.
10. To evaluate the internal financial controls and risk management systems.
11. To review, with the management, performance of statutory and internal auditors, adequacy of the internal control system
12. To investigate into any matter specified under serial nos. 1 to 11 above and any other matter referred to it by the Board and for this purpose to obtain advise of external professionals, if necessary, and accord them full access to the information contained in the records of the Company.
13. To give personal hearing to the Auditors and key managerial personnel when, if necessary it, while reviewing the Auditor's Report.
14. To oversee the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and creditable.
15. To review the Annual Financial Statements and auditor's report thereon, with the Management before submitting the same to the Board particularly the following:

- (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.
16. To review with the Management the quarterly financial statements before submission to the Board for approval.
  17. To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and making appropriate recommendations to the Board to take up steps in this matter.
  18. Review the quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32(1) of the Listing Regulations, being submitted to the Stock Exchange(s).
  19. To discuss with the Internal Auditors any significant findings and follow-up thereon.
  20. To review findings of any internal investigations, by the internal auditors into matters where there is suspected frauds or irregularities or a failure of internal control systems of a material nature and reporting the matter to the Board.
  21. To discuss 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
  22. To look into the reasons for substantial defaults in the payment to the depositories, Debenture holders, shareholders (in case of non-payment of declared dividends), deposit holders, debenture holders and creditors.
  23. To review the functioning of the Whistle Blower Mechanism.
  24. To approve appointment of Chief Financial Officer, including the whole-time Finance Director, after assessing the qualifications, experience and background, etc. of the candidate
  25. Investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if necessary.
  26. Review the utilization of loans and /or advances from/investment made by the Company in its subsidiary exceeding Rs. 100 crore or 10% of the total gross assets of the subsidiary, whichever is lower including existing loans/ advances /investment, or such other limit as may be prescribed from time to time.



27. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.
28. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.
29. To review the following information/document:
  - (i) Management discussion and analysis of financial condition and results of operation;
  - (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - (iii) Management letter/letters of internal control weakness issued by the statutory auditors;
  - (iv) Internal audit reports relating to internal control weakness; and
  - (v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - (vi) Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1) Listing Regulations.
    - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7) of Listing Regulations.
30. Consider and comment on rationale, cost benefit and impact of schemes involving merger, demerger, amalgamation etc.

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