

AUDIT COMMITTEE

Composition of the Audit Committee



Shri.MBN Rao
Chairman



Smt.V. Kavitha Dutt
Member



Shri. Som Mittal
Member

Sl.No	Name of the Director	Designation	Committee Position
1.	Shri. MBN Rao	Independent Director	Chairman
2.	Smt. V. Kavitha Dutt	Independent Director	Member
3.	Smt. Som Mittal	Independent Director	Member

Powers of the Audit Committee

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

Terms of Reference of the Committee

The terms of reference of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, comprehensive, and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors of the Company;
3. Approval of payments to the statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' 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.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft Audit Report

5. Reviewing, with the Management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
6. 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 or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Reviewing the utilization of loans and/ or advances/investment made by the Company in its subsidiary exceeding a sum of ₹ 1000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans/investments/advances;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. Reviewing the adequacy of the 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;
15. Discussion with internal auditors on any significant findings and follow up there on;
16. 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;
17. 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;
18. 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;
19. To review the functioning of the Whistle blower mechanism;
20. Approval of appointment of the CFO after assessing the qualifications, experience and background, etc. of the candidate;
21. To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and shareholders.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information.

1. Management discussion and analysis of financial condition and results of operations.
2. Management letters / letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses and
4. The appointment/removal and terms of remuneration of the Internal Auditors shall be subject to review by the Audit Committee and such other matters as prescribed.
5. Statement of deviations
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges as per the relevant stock exchange listing regulations;
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice.

In addition to the areas noted above, the Audit Committee reviews controls and security relating to the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principle, if any.