AUDIT COMMITTEE

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").

Composition

- The Audit Committee ('Committee') shall have minimum three directors as members with atleast two-third of its members as Independent Director.
- All members of the Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- Chairperson of the Committee shall be an independent director.
- Company Secretary shall act as the secretary to the Committee.

Terms of Reference

The Committee shall act in accordance of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as per the 'term of reference' as specified hereunder:

i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors.

iv. 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 Act;

   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.

v. review, with the management, the quarterly financial statements before submission to the Board for approval.

vi. review, 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 utilised 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, and making appropriate recommendations to the Board to take up steps in this matter.

vii. review and monitor the auditors' independence and performance, and effectiveness of audit process.

viii. approval or any subsequent modification of transactions of the Company with related parties.

ix. scrutiny of inter-corporate loans and investments.

x. valuation of undertakings or assets of the Company, wherever it is necessary.

xi. evaluation of internal financial controls and risk management systems.

xii. monitor the end use of funds raised through public offers and related matter.

xiii. review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

xiv. review 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.

xv. discuss with internal auditors of any significant findings and follow up thereon.

xvi. review 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.

xvii. 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.

xviii. look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xix. review the functioning of the whistle blower mechanism.

xx. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

xxi. review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date or such other limit as may be prescribed.

xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

xxiii. review the management discussion and analysis of financial condition and results of operations.

xxiv. review the management letters/letters of internal control weaknesses issued by the statutory auditors.

xxv. review the internal audit reports relating to internal control weaknesses.

xxvi. review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

xxvii. review the statement of deviations:

a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.

b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

POWERS

The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the record of the company.

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