

AUDIT COMMITTEE POLICY
(Approved by the Board of Directors on September 9, 2022)

1. Objectives:

The Audit Committee's role shall flow directly from the Board of Directors' (hereinafter referred as the "**Board**") overview function on corporate governance; which holds the Management accountable to the Board and the Board, in turn, accountable to the shareholders. The Management of the Company has the overall responsibility to prepare financial statements in accordance with generally accepted accounting principles. The Company's Independent Auditors has the responsibility to audit those financial statements. The Audit Committee's responsibility is one of overseeing the financial information. However, the Audit Committee has no obligation to provide any expert or other special assurance as to the Company's financial statements.

2. Composition:

- The Audit Committee shall comprise of at least three directors as members of the Committee, out of which atleast two-third members shall be Independent Directors. (Independence would be decided upon by the Board and in accordance with Companies Act, 2013 (hereinafter referred as the "**Act**").
- Majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.
- The Board shall designate one of the members of the Audit Committee as the Chairman of the Committee who shall be an Independent Director.
- The Company Secretary shall act as the Secretary to the Committee Meetings.

3. Meeting Requirements:

- The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Audit Committee; whichever is greater. A duly convened meeting of the Committee at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

- The Committee shall meet at least 4 times in a year and not more than 120 days shall elapse between two successive meetings.
- The audit committee at its discretion, may invite the finance director or head of the finance function and a representative of the statutory auditor and Internal Auditor.

4. Scope, Duties & Responsibilities:

a. Scope:

The Committee shall have following scope of activities under its domain. The Board of Directors may delegate, from time to time, may make a reference and enhance the scope of audit committee.

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related party;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- To seek information from and have direct access to any employee, key managerial personnel or director of the Company, to perform its duties effectively.
- To secure assistance and attendance of outsiders with relevant knowledge/expertise in accounting, legal or other matters, if it considers necessary.
- To engage independent counsel and other advisors as it deems appropriate to perform its duties and responsibilities.

b. Duties and Responsibilities:

The following are the duties and responsibilities of the Audit Committee. The Audit Committee may diverge from these responsibilities and may assume such other responsibilities as it deems necessary or appropriate in carrying out its functions.

(i) Relating to Internal Audit:

- Reviewing on a regular basis the adequacy of the internal audit function, approval of the audit plan and its execution, reporting structure, budget, coverage and frequency of the Internal Audit plan.
- Review the regular internal audit reports management's response thereto.
- Review Internal Audit Reports relating to the internal control weaknesses.

(ii) Relating to Statutory/Independent Auditors:

- Discussion with Independent Auditors before the audit commences of the nature, scope and approach of the audit.
- Post-audit discussion with Independent Auditors to ascertain areas of concern.
- Review performance of the Independent Auditors.
- Conducting a “post-audit review” of the financial statements and audit findings including any suggestions for improvements provided to management by the Independent Auditors.
- Regularly reviewing with the Independent Auditor any audit problems or difficulties and management’s response thereon.
- Recommend to the Board, the appointment, re-appointment, removal of the statutory auditors, fixation of audit fee and also approval for payment for any other services rendered by the Statutory Auditors.

(iii) Relating to the Company’s financial statements:

- Review of the Company’s accounting policies, internal accounting controls, financial and risk management policies and such other matters as the Audit Committee deems appropriate.
- Overseeing of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the annual financial statements before submission to the Board of Directors.
- Reviewing before release of the financial statements audited or otherwise, the Director’s Report, and such other matters which form part of the Annual Report of the Company.
- Discussing with the management and the Independent Auditor the following;
 - i. Annual audited financial statements.
 - ii. Quarterly financial statements.
 - iii. Disclosures under “Management’s Discussion and Analysis of Financial Condition.
 - iv. Results of Operations.
 - v. Financial statements/forms to be released or submitted to any legal or regulatory authority.

(iv) Relating to Internal Control:

- Review with the management, Statutory and internal auditors, the scope of internal audit, adequacy of internal control systems and ensure adherence thereto and any other related issues.
- Review Management letters / letters of internal control weaknesses issued by statutory/ internal auditors.
- Review management's report on internal control and statutory auditor's attestation/observations on management's assertion.
- Evaluation of Internal Financial Controls.

(v) Relating to Whistleblowing/vigil mechanism

The Committee shall review the Company's arrangements for its directors and employees to raise concerns, in confidence, about possible wrong doing in financial reporting, accounting, auditing or any other genuine concerns. The mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Committee shall ensure that these arrangements allow independent investigation of such matters and appropriate follow up action. In case of any conflict of interest, the Committee Members would disassociate from such investigation.

(vi) Relating to Risk Management

- Evaluate Risk Management System.
- Discuss with the management, the Company's policies with respect to risk assessment and risk management, including appropriate guidelines to govern the process, as well as the Company's major financial risk exposures including policy for foreign exchange and derivative transactions and the steps management has undertaken to control them.

5. Related Party Transactions

- Review and approve the statement of all related party transactions submitted by the management, including the material related party transactions as decided by the policy.
- The committee may grant, after obtaining approval of the Board, omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely-
 - i. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - ii. maximum value per transaction which can be allowed;
 - iii. extent and manner of disclosures to be made to the Committee at the time of

- seeking omnibus approval;
- iv. review, at such intervals as the Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- The Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: –
 - i. repetitiveness of the transactions (in past or in future);
 - ii. Justification for the need of omnibus approval.

 - The omnibus approval shall contain or indicate the following: –
 - i. name of the related parties;
 - ii. nature and duration of the transaction;
 - iii. maximum amount of transaction that can be entered into;
 - iv. the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - v. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

 - Where the need for related party transaction cannot be foreseen and aforesaid details are not available, the committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

6. Reporting:

- The Audit Committee will report and update the Board, periodically, on various matters that it has considered as well as on the independence of the Auditors.
- The Annual Report of the Company shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of members, Chairperson, meetings and attendance.
- The recommendations of the Audit Committee on any matter relating to financial management including the audit report, shall be binding on the Board. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.
- The Audit Committee will record its summaries of recommendations to the Board which will be incorporated as a part of the minutes of the Board of Directors meeting at which those recommendations are presented.
