

AUDIT & ETHICS COMMITTEE

Composition of Audit & Ethics Committee

i.	Ms. Pooja Suri, Independent Director	Chairperson
ii.	Ms. Mamta, Director, MoP&NG	Member
iii.	Shri Samik Bhattacharya, Independent Director	Member
iv.	Shri Raju Revanakar, Independent Director	Member
v.	Shri Harish Madhav, Director (Finance)	Permanent Invitee
vi.	Shri P.K. Goswami, Director (Operations)	Invitee
vii.	Director (Finance), NRL	Invitee

Terms of Reference of Audit & Ethics Committee

I. Powers of Audit & Ethics Committee

The Audit & Ethics Committee shall have powers, which should 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.

II. Role of Audit & Ethics Committee

The role 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 statement is correct, sufficient and credible;
2. Noting the appointment and recommending remuneration of statutory auditors of the company.
3. Approval of payment to 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 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.
 - 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. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of 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. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory, Cost and internal auditors, adequacy of the internal control and cost control systems;
 13. 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;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. 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;
 16. 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;
 17. 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;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (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;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. ***To review 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***

Explanation (i): The term "related party transactions" shall have the same meaning as provided in **Regulation 2 of the SEBI (LODR) Regulations, 2015**~~Clause 49(VII) of the Listing Agreement.~~

III. Review of information by Audit & Ethics Committee

The Audit & Ethics Committee shall mandatorily review the following information:

1. Management discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. **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).*
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).*

IV. OTHERS

1. Review of observations of C&AG including status of Government Audit para's.
2. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
3. **Role as defined in the Code of Conduct to regulate, monitor and report trading by insiders of the Company.**
4. Any matter referred to it by the Board or any other terms of reference as amended by the Companies Act, 2013 & rules made there-under, **the SEBI (LODR) Regulations, 2015**~~Listing Agreement~~ and Guidelines issued by DPE.