

## COMPOSITION OF COMMITTEE

### (i) AUDIT COMMITTEE

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance as issued by Department of Public Enterprises, Govt. of India.

Scope of Audit Committee:

1. Before commencement of Audit, discussion with the auditors about the nature and scope of audit; and after the completion of Audit, deliberation on area of concern.
  2. Provide an open avenue of communication between the independent auditors, internal auditors and the Board of Directors.
  3. Approval or any subsequent modification of transactions of the company with related parties
  4. Scrutiny of inter-corporate loans and investments
  5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, the annual financial statements and draft auditor's report thereon before submission to the board for approval, with particular reference to:
    - 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;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of related party transactions;
    - Qualifications in the draft audit report.
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1. Noting the appointment and removal of independent auditors. Recommending audit fee of independent auditors and also approval for payment for any other service.
  2. Recommending to the Board the appointment and remuneration of the cost auditors of the Company.
  3. Review of observations of C&AG including status of Government Audit paras.
  4. Reviewing with the management, statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), statement of funds utilised for purposes other than those stated in the offer documents/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.
  5. Valuation of undertakings or assets of the company, wherever it is necessary
  6. Evaluation of internal financial controls and risk management systems.
  7. 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.
  8. To review the functioning of the Whistle Blower mechanism.
  9. 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.
  10. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
  11. Review of:
    - Management discussion and analysis of financial condition and results of operations;
    - Management letters/ letters of internal control weaknesses; issued by the statutory auditors
    - Internal Audit Reports relating to internal control weaknesses.

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. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
  3. 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.
  4. Consider and review the following with the independent auditor and the management:
    - The adequacy of internal controls including computerized information system controls and security, and
    - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
1. Consider and review the following with the management, internal auditor and the independent auditor:
    - Significant findings during the year, including the status of previous audit recommendations.
    - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
1. Review of appointment and removal of the Chief Internal Auditor.
  2. Reviewing, with the management, the performance of the internal auditors and of the independent auditors and effectiveness of the audit process.
  3. Review of internal audit observations outstanding for more than two years.
  4. Reviewing 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.
  5. 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 Listing Regulations, 2015 and Guidelines issued by DPE.
  6. To review compliance with the provisions of SEBI Insider Trading Regulations at least once in a financial year
  7. To verify that the systems for internal control are adequate and are operating effectively.
  8. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Director (Finance), Head of Internal Audit Department and the Statutory Auditors are invited to the Audit Committee Meetings for interacting with the members of the Committee. Besides, Cost Auditors of the Company are also invited to the meetings of the Audit Committee as and when required. Senior functional executives are also invited as and when required to provide necessary inputs to the Committee.

The Company Secretary acts as the Secretary to the Committee.

<b>CONSTITUTION:</b>		
	<b>Designation</b>	<b>Name of the Director</b>
1	Independent Director, Chairman	Mr. Hienbhai Patel
2	Independent Director	Mr. Ashish Prakash Tripathi
3	Managing Director	Mr. Gnanesh Rajendrabhai Bhagat

## ii) STAKEHOLDERS' RELATIONSHIP COMMITTEE

Terms of reference of Stakeholders' Relationship Committee is as under:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

<b>CONSTITUTION:</b>		
<b>Designation</b>		<b>Name of the Director</b>
1	Independent Director, Chairman	Mr. Hirenbhai Patel
2	Independent Director	Mr. Asish Prakash Tripathi
3	Non Executive Director	Mrs. Angana Gnanesh Bhagat

### **(iii) NOMINATION AND REMUNERATION COMMITTEE INCLUDING PRP**

Terms of Reference of the Nomination and Remuneration Committee including PRP shall be as under:

1. decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits
2. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
3. formulation of criteria for evaluation of performance of independent directors and the board of directors
4. devising a policy on diversity of board of directors
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. recommend to the Board, all remuneration, in whatever form, payable to senior management.

As per SEBI LODR, 2015, “senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/ managing director/ whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Ministry of Corporate Affairs, through notification dated 05.06.2015, has exempted the Government Companies from applicability of Section 178 (2)/ (3)/ (4) of the Companies Act, 2013 except with regard to appointment of senior management and other employees. However, government companies are not exempted from applicability of Regulation 19 of SEBI LODR, 2015.

<b>CONSTITUTION:</b>		
<b>Designation</b>		<b>Name of the Director</b>
1	Independent Director, Chairman	Mr. Hirenbhai Patel
2	Independent Director	Mr. Asish Prakash Tripathi
3	Non Executive Director	Mrs. Angana Gnanesh Bhagat

#### **(iv) INDEPENDENT DIRECTOR COMMITTEE MEETING**

Meeting of Independent Directors Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Thus, the Companies Act, 2013 aims at making transparency and making sure that all the decisions and activities of the company are taken in good faith and in the benefit of shareholders at large. Hence the Independent Directors are appointed to ensure that the company is complies Corporate Governance and Ethical Standards.

<b>CONSTITUTION:</b>		
	<b>Designation</b>	<b>Name of the Director</b>
1	Independent Director, Chairman	Mr. Hirenbhai Patel
2	Independent Director	Mr. Asish Prakash Tripathi