



*AUDIT COMMITTEE
TERMS OF REFERENCE*

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1. NAME/PURPOSE

The Committee shall be named as Audit Committee (the Committee) and shall assist the Board in effective discharge of its responsibilities for corporate governance, financial reporting and corporate control. In the discharge of its functions, the committee shall exercise the power and responsibilities vested on it under the Companies Act, 2013 and any re-enactment thereof.

2. CONSTITUTION

- 2.1 The Committee shall be comprised of a minimum of three (3) members of the Board, out of which two directors shall be independent director;
Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.
- 2.2 The Committee shall be reconstituted as per clause 2.1 on or before 31st March, 2015;
- 2.3 The Committee shall be appointed by resolution of the Board. Each member shall continue as a member until a successor is appointed, unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board;
- 2.4 Where a vacancy occurs at any time in the membership of the Committee, it shall be filled by the Board;
- 2.5 The Committee shall appoint a Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among members present;
- 2.6 The Chair presiding at any meeting of the Committee shall have a vote in matters considered by the Committee. In the event of tie, the motion is defeated;
- 2.7 The Chairman of the Committee shall be present at the Annual General Meeting;
- 2.8 The Secretary to the Board shall act as Secretary to the Committee;
- 2.9 The Committee shall assist with deliberations required for the fulfilment of the Board's mandate and those specific responsibilities and duties assigned to the Committee; however unless specifically stated otherwise, the Committee shall act in advisory capacity only, recommending decisions to the Board for approval.

3 MEETINGS

- 3.1 The Committee shall meet a minimum of four (4) times of year , preferably quarterly in such a manner that not more than 120 days shall intervene between two consecutive meeting of the committee;
- 3.2 A meeting of the Committee may be called by the chair of the committee, the chair of the Board or by any two members of the Committee;
- 3.3 A quorum for meeting shall be one third of its total strength or 2 directors whichever is higher and participation of the directors by video conferencing or by other audio visual means shall be counted for the purpose of quorum;
- 3.4 A meeting of the committee shall be called by giving not less than 7 days' notice in writing to every member.
- 3.5 The auditors of the company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

4 DUTIES & RESPONSIBILITIES

The Committee shall have the following duties & responsibilities:

- 4.1 To recommend appointment, remuneration and terms of appointment of auditors of the company;
- 4.2 review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 4.3 examination of the financial statement and the auditors' report thereon;
- 4.4 approval or any subsequent modification of transactions of the company with related parties;
- 4.5 scrutiny of inter-corporate loans and investments;
- 4.6 valuation of undertakings or assets of the company, wherever it is necessary;
- 4.7 evaluation of internal financial controls and risk management systems;
- 4.8 monitoring the end use of funds raised through public offers and related matters.

5 POWER

- 5.1 To investigate any matter in relation to the matters specified in clause 3
- 5.2 To obtain outside legal or other professional advice
- 5.3 Shall have full access to the records of the Company

6 MINUTES AND REPORTING

- 6.1 An outline of material proceedings and deliberations addressed by the committee, and all recommendations, decisions and directives of the committee shall be recorded by the secretary in the minutes of the meeting;
- 6.2 The minutes of the meeting shall be prepared and signed in the manner provided in the Companies Act, 2013 for minutes of board meeting;
- 6.3 Approved minutes shall be placed before the Board for confirmation.

7 SUPPORT TO THE COMMITTEE

- 7.1 The Committee shall identify through office of Chief Financial Officer or designate , the kind and frequency of information required by the committee
- 7.2 The Committee shall have full access to books and records of the company;
- 7.3 The Committee shall have the authority to retain external advisors, experts or consultants, in order to properly discharge its duties and obligations;