

## Corporate Governance Committees

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### Audit Committee

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Following Directors are members of the said Committee

- |    |                     |   |                                    |
|----|---------------------|---|------------------------------------|
| 1. | Mr. Biren Gabhawala | - | Chairperson (Independent Director) |
| 2. | Mr. Pradeep Kapoor  | - | Member (Independent Director)      |
| 3. | Mr. Anish Ghoshal   | - | Member (Independent Director)      |
| 4. | Mr. PD Mundhra      | - | Member (Executive Director)        |
| 5. | Ms. Deepa Kapoor    | - | Member (Independent Director)      |
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### Stakeholders Relationship Committee#

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Following Directors are members of the said Committee

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|----|---------------------|---|------------------------------------|
| 1. | Mr. Pradeep Kapoor  | - | Chairperson (Independent Director) |
| 2. | Mr. Anish Ghoshal   | - | Member (Independent Director)      |
| 3. | Mr. Biren Gabhawala | - | Member (Independent Director)      |
| 4. | Mr. PD Mundhra      | - | Member (Executive Director)        |
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# renamed w.e.f. October 1, 2014

### Nomination and Remuneration Committee##

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Following Directors are the members of the said Committee

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|----|----------------------|---|--|
| 1. | Mr. Anish Ghoshal    | - | Chairperson (Independent Director)                     |
| 2. | Mr. Alok Goyal       | - | Member (Independent Director)                          |
| 3. | Mr. Anjan Malik      | - | Member (Non-Executive Director)                        |
| 4. | Mr. Shailesh Kekre   | - | Member (Independent Director)                          |
| 5. | Ms. Deepa Kapoor     | - | Member (Independent Director)                          |
| 6. | Mr. Srinjay Sengupta | - | Member (Additional Non-Executive Independent Director) |
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## The two extant committees i.e. Remuneration Committee and Nomination Committee merged in one committee to constitute a committee viz., Nomination & Remuneration Committee effective from April 1, 2014

## Corporate Social Responsibility Committee

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Following Directors are the members of the said Committee

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|----|---------------------|--------------------------------------|
| 1. | Ms. Deepa Kapoor    | - Chairperson (Independent Director) |
| 2. | Mr. Anish Ghoshal   | - Member (Independent Director)      |
| 3. | Mr. Biren Gabhawala | - Member (Independent Director)      |
| 4. | Mr. PD Mundhra      | - Member (Executive Director)        |

## Risk Management Committee#

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Following Directors are the members of the said Committee

- |    |                      |  |
|----|----------------------|--|
| 1. | Mr. Anish Ghoshal    | - Chairperson (Independent Director)                     |
| 2. | Mr. Biren Gabhawala  | - Member (Independent Director)                          |
| 3. | Mr. PD Mundhra       | - Member (Executive Director)                            |
| 4. | Mr. Srinjay Sengupta | - Member (Additional Non-Executive Independent Director) |
| 5. | Mr. Rohitash Gupta   | - Member (Chief Financial Officer)                       |

#Constituted on January 31, 2019

### **Powers of Audit Committee includes inter-alia 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 considered necessary

### **Terms of Reference of the Committee includes inter-alia the following**

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information;
4. Reviewing with management, the annual financial statements before submission to the Board;
5. Examination of the financial statement and the auditors' report thereon;

6. Reviewing the Company's financial and risk management policies.
7. Monitor related party transactions of the Company
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. Monitoring the end use of funds raised through public offers, if any, and related matters.
13. The Audit Committee of the Company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
14. The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
15. The Committee shall have authority to investigate into any matter in relation to the items specified 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 records of the company;
16. The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings.
17. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

### **Role of Audit Committee**

The primary **role of Audit Committee** of the Board will be to act as a catalyst in monitoring and supervising the management's financial reporting process as well as assisting the Board of Directors, inter-alia, in overseeing 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. Recommendation for appointment, remuneration and terms of appointment of 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. Modified opinion(s) 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 utilisation 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 and internal auditors, adequacy of the internal 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. 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;
  21. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
  22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  23. The Audit Committee **shall review** the following information:
    - a. Management discussion and analysis of financial condition and results of operations;

- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f. statement of deviations:
  - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**Role of the Stakeholders Relationship Committee ‘includes inter-alia the following**

- To approve transfer of shares.
- Resolving the grievances of the security holders of the Company 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- To provide information to shareholder.

**Role of the Nomination and Remuneration Committee includes inter-alia the following**

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.
- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability.
- Oversee the implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines.
- Decide/approve details of fixed component and performance linked incentives along with the performance criteria.

- Devise a policy on Board diversity.
- Formulate the criteria for evaluation of Independent Directors and the Board.
- The Nomination and Remuneration Committee shall, formulate the Remuneration Policy of the Company.
- The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management
- The Nomination and Remuneration Committee shall recommend to the board, all remuneration, in whatever form, payable to senior management. Senior management would comprise of employees of the Company who are members of its core Management team (employees in the cadre of Principal and above) excluding Board of Directors. This would comprise of all members of the management one level below the CEO/MD/WTD/Manager (including CEO/Manager, in case they are not part of the Board) which would cover employees in the cadre of Managing Principal, and shall also include the Company Secretary and Chief Financial Officer.

**Role of Corporate Social Responsibility Committee includes inter-alia the following**

- To formulate CSR Policy of the Company.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- Ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the company.
- To ensure that company spend atleast 2% of average net profit of the company in every financial year.
- Monitor the CSR Policy of the Company from time to time.
- The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the company.
- To formulate an annual action plan for CSR spending.
- To do all such acts, deeds and things as deemed necessary to achieve overall CSR objectives of the Company and to ensure compliance with relevant regulations.

**Role of Risk Management Committee includes inter-alia the following**

- To formulate a detailed risk management policy and monitor and oversee the implementation of the policy and the EWRM framework, including evaluating the adequacy of risk management systems.

The policy shall include:

- A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risks as may be determined by the Committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business Continuity plan

- To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To periodically review the risk management policy, atleast once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the Board of Directors informed about the nature and content of its discussion, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
- Periodic assessment and prioritizing of risks that affect the operations of the Company;
- Identify and review the Company's risk appetite for various elements of risk including cyber security;
- Review the risk management practices and recommend changes to ensure its adequacy;
- Monitor the implementation of the risk mitigation plans including mitigation of cyber security risk;
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsider with relevant expertise, if it considers necessary;
- Such other functions as the Board may determine from time to time.