

## **Committees of the Board of Directors**

The Company constituted Audit Committee and Stakeholders Relationship Committee. All committees have a combination of Executive, Non-Executive and Independent Directors. The Chairman of all the committees is an Independent Director.

**1. The current composition of the Audit Committee is as follows:**

Mr. K Soma Raju, Chairman of the Committee and Independent Director

Mr. N Viswanatha Raju, Independent Director

Mr. K Ravindra, Independent Director

Brief description of terms of reference

The Committee has the following powers and responsibilities including but not limited to

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To review, with the management, annual financial statements before submission to the Board for approval, with particular reference to
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (5) 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 any related party transactions;
  - Qualifications in the draft audit report.

- To review, with the management, the quarterly financial statements before submission to the Board for approval;
- To recommend to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fees;
- To grant approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- To hold discussion with the 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;
- To review management letters / letters of internal control weaknesses issued by the statutory auditors;
- To recommend appointment, removal and terms of remuneration of the Chief Internal Auditor;
- To hold discussion with Internal Auditors on any significant findings and follow up there on;
- To review internal audit reports relating to internal control weaknesses;
- To review, with the management, performance of statutory and internal auditors and adequacy of internal control systems;
- To review 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;
- To review the findings of any internal investigations by the internal auditors in the 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;
- To review financial and risk management policies;
- To review report on compliance of laws and risk management, reports issued by Statutory / Internal Auditors;
- To review management discussion and analysis of financial condition and results of operations;

- To review statement of significant related party transactions (as defined by the audit Committee), submitted by management;
- Approval or any subsequent modification of transactions of the Company with the related party;
- To review substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To develop a policy on the engagement of statutory auditors for non-audit services;
- To ensure the compliance with the statutory auditors' recommendations;
- To meet internal and statutory auditors without presence of the Company's executive management annually;
- To confirm the engagement of an Independent valuer for the valuation of shares, whenever called for and verify whether the valuer for valuation has an advisory mandate and had past association with the Company management;
- To review certificates regarding compliance of legal and regulatory requirements;
- To review the functioning of the Whistle Blower mechanism;
- To review, with the management, the statement of uses / application of funds raised through an initial public offering of the Company, the statement of funds utilized for purposes other than those stated in prospectus and making appropriate recommendations to the Board to take up steps in this matter;
- 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;
- Scrutiny of inter-corporate loans and investments and
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee and entrusted by the Board.
- The Audit Committee is further empowered to do the following:
  - To investigate any activity within terms of reference;
  - To seek information from any employee;

- To obtain outside legal professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**2. The current composition of the Stakeholders Relationship Committee is as follows:**

Mr. K Soma Raju, Chairman of the Committee and Independent Director

Mr. N Viswanatha Raju, Independent Director

Mr. K Ravindra, Independent Director

Brief description of terms of reference

The Committee was constituted with powers and responsibilities including but not limited to

- ✓ To supervise and ensure efficient share transfers, share transmission, transposition, etc;
- ✓ To approve allotment, transfer, transmission, transposition, consolidation, split, name deletion and issue of duplicate share certificate of equity shares of the Company;
- ✓ To redress shareholder and depositor complaints like non-receipt of Balance Sheet, non-receipt of declared Dividend, etc.
- ✓ To review service standards and investor service initiatives undertaken by the Company;
- ✓ To address all matters pertaining to Registrar and Share Transfer Agent including appointment of new Registrar and Share Transfer Agent in place of existing one;
- ✓ To address all matters pertaining to Depositories for dematerialization of shares of the Company and other matters connected therewith; and
- ✓ To attend to any other responsibility as may be entrusted by the Board within terms of reference.