

Re-constitution of Audit Committee

The Chairman informed the Board that as per the provisions of Section 177 of the Companies Act, 2013 all Public Companies satisfying the following conditions shall constitute an Audit Committee:

- i) Listed Company;
- ii) with a paid up capital of ten crore rupees or more;
- iii) Having turnover of one hundred crore rupees or more;
- iv) Having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crore rupees or more.

He further informed that in compliance with SEBI Circular dated 15th November, 2014 on Clause 49 (Corporate Governance) of the Listing Agreement, the Company is required to re-constitute Audit Committee.

After some discussions on the matter, the Board passed the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 177 of the Companies Act, 2013 and Clause-49 of the Listing Agreement with the Stock Exchanges, the Audit committee of the Company be re-constituted as follows:

COMPOSITION

Minimum 3 directors with majority independent further provided that majority including its Chairperson shall be persons with ability to read and understand, the financial statement.

The Audit Committee shall consist of the following members namely:

- | | |
|------------------------|----------|
| 1) Y.Ravinder Reddy | Chairman |
| 2) Kishore Jhunjunwala | Member |
| 3) Kurra Subba Rao | Member |

CHAIRMAN

The Chairman of the Audit Committee shall be an Independent Director and shall be elected among the members of Audit Committee.

The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries;

QUORUM

The Quorum for the meeting of the Audit Committee shall be a minimum of two members or 1/3rd of the Members of the Audit Committee, whichever is higher, but there should be minimum of two independent members present.

MEETINGS

The audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings.

The Company Secretary shall act as the secretary to the committee.

ROLE

- 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. 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 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) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 21) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 22) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- 23) Examination of the financial statement and the auditors' report thereon;
- 24) Approval or any subsequent modification of transactions of the company with related parties;
- 25) Scrutiny of inter-corporate loans and investments;
- 26) Valuation of undertakings or assets of the company, wherever it is necessary;
- 27) Evaluation of internal financial controls and risk management systems;
- 28) Monitoring the end use of funds raised through public offers and related matters;
- 29) The Audit 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;
- 30) The Audit Committee shall have authority to investigate into any matter in relation to the items specified (as mentioned at S.No. 21 to 28 above) 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;
- 31) The auditors of a 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;
- 32) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee; and

- 33) Resolve any disagreements between management and the auditor regarding financial reporting.

REVIEW

The Audit Committee shall 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.

POWERS:

- 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”.

Re-constitution of Nomination and Remuneration Committee

The Chairman informed the Board that as per the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, all public Companies satisfying following conditions shall constitute Nomination and Remuneration Committee:

- i) Listed Company;
- ii) With a paid up capital of ten crore rupees or more;
- iii) Having turnover of one hundred crore rupees or more;
- iv) Having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crore rupees or more.

Further in compliance with SEBI Circular dated 20th May, 2014 on Clause 49 (Corporate Governance) of the Listing Agreement, the Company is required to re-constitute Nomination and Remuneration Committee.

The Board discussed the matter and passed the following resolutions:

“RESOLVED THAT pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 (Corporate Governance) of the Listing Agreement, the Nomination and Remuneration Committee of the Company be re-constituted as follows:

COMPOSITION

Composition: - **Three or more non**-executive directors out of which not less than one-half be independent directors. The chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee

The Nomination and Remuneration Committee shall consist of following members namely:

- | | |
|-----------------------------------|----------|
| i) Y.Ravinder Reddy | Chairman |
| ii) Kishore Jhunjunwala | Member |
| iii) Maheswaran Nair Paramupillai | Member |

CHAIRMAN

The Chairman of the Nomination and Remuneration Committee shall be an Independent Director and elected by its members from amongst themselves.

QUORUM

The Quorum for the meeting of the Nomination and Remuneration Committee shall be a minimum of two members or 1/3rd of the Members of the Nomination and Remuneration Committee, whichever is higher, but there should be minimum of two independent members present.

MEETINGS

The Committee shall meet as and when it is thought appropriate.

ROLE:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) 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 their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- 4) The Nomination and Remuneration Committee shall 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.
- 5) The Nomination and Remuneration Committee shall 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
- 6) The Nomination and Remuneration Committee shall, while formulating the policy ensure that
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals: Provided that such policy shall be disclosed in the Board's report".

Constitution of Stake Holders Relationship, Grievance and Share Transfer Committee.

The Chairman informed the Board that as per the provisions of Section 178 of the Companies Act, 2013, Companies which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship, Grievance and Share Transfer Committee.

He further informed that in compliance with SEBI Circular dated 20th May, 2014 on Clause 49 (Corporate Governance) of the Listing Agreement, the Company is required to re-constitute Stake Holders Relationship, Grievance and Share Transfer Committee.

The Board discussed the matter and passed the following resolution:

“RESOLVED THAT pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 (Corporate Governance) of the Listing Agreement, the Stakeholders Relationship, Grievance and Share Transfer Committee of the Company be re-constituted as follows:

COMPOSITION:

The Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.

The Stake Holders Relationship, Grievance Committee shall consist of at least three Directors namely:

i) Y.Ravinder Reddy	Chairman
ii) Kishore Jhunjunwala	Member
iii) Maheswaran Nair Paramupillai	Member

CHAIRMAN:

Chairman of the Stake Holders Relationship, Grievance Committee shall be non-executive director and shall be elected by its members from amongst themselves.

QUORUM:

The quorum for the meeting of the Stake Holders Relationship, Grievance Committee shall be a minimum of two members or 1/3rd of the members of the Committee whichever is higher.

TERMS OF REFERENCE:

- i) The Stake Holders Relationship, Grievance and Share Transfer Committee specifically look into the redressal of grievances of shareholders, debenture holders and other security holders;
- ii) The Stake Holders Relationship, Grievance and Share Transfer Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- iii) To expedite the process of share transfers, the Board of the company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents. The delegated authority shall attend to share transfer formalities at least once in a fortnight.
- iv) The Stakeholders Relationship, Grievance Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends etc.
- v) The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services”.

RISK MANAGEMENT

The Chairman informed the Board that as per the Clause - 49 of the Listing Agreement, all listed Companies are required to constitute Risk Management Committee to evaluate risk exposure and management actions to mitigate the same.

After some discussions, the Board considered the same and passed the following resolution:

“RESOLVED THAT as per the Clause - 49 of the Listing Agreement, the Risk Management Committee of the Company be constituted as follows:

COMPOSITION

The Risk Management Committee shall consist of following members namely:

- | | |
|-----------------------------------|----------|
| i) Y. Ravinder Reddy | Chairman |
| ii) Kishore Jhunjunwala | Member |
| iii) Maheswaran Nair Paramupillai | Member |

CHAIRMAN

The Chairman of the Risk Management Committee shall be elected by its members from amongst themselves.

QUORUM

The Quorum for the meeting of the Risk Management Committee shall be a minimum of two members or 1/3rd of the Members of the Risk Management Committee, whichever is higher.

MEETINGS

The Committee shall meet as and when it is thought appropriate.

ROLE

- a) The Committee shall have free access to management and management information. The Committee, at its sole authority, may seek the advice of outside experts or consultants at the company's expense where judged necessary, to discharge its duties and responsibilities.
- b) Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- c) Review and recommend changes to the Risk Management Policy and / or associated frameworks, processes and practices of the Company.

- d) Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them.
- e) The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role. The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- f) The risk management committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).
- g) The risk management committee shall make regular reports to the Board.”