

ROLES & RESPONSIBILITIES OF THE BOARD
COMMITTEES

AUDIT COMMITTEE

The scope, terms of reference, role and responsibilities of the Audit Committee are in accordance with the provisions of Regulation 18 of the Listing Regulations and Section 177 of the Act.

The 'Terms of Reference' of the Audit Committee inter-alia includes the following:

1. Oversight on the Company's financial reporting process and disclosure of its financial information to ensure that financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the Auditors of the Company;
3. Approval for payment to Statutory Auditors for any 'other services' rendered by Statutory Auditors;
4. Reviewing with the Management, the Annual Financial Statements and Auditor's Report thereon, prior to submission to the Board for its approval, with particular reference to:
 - (a) Matters required to be incorporated in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act.
 - (b) Changes, if any, in the accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - (d) Significant adjustments made in the Financial Statements arising out of audit findings.
 - (e) Compliance with the 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 Management, the quarterly Financial Statements prior to submission to the Board for approval;
6. Reviewing with the Management the statement of use/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and report submitted by the monitoring agency, monitoring utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the Auditor's independence and performance and effectiveness of the 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 and adequacy of the Internal Control Systems;
13. Reviewing adequacy of Internal Audit function including structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit;
14. Discussions with the Internal Auditors of any significant findings and follow up thereon;
15. Reviewing findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
16. Discussions with the Statutory Auditors prior to commencement of audit, about nature and scope of audit and post-audit discussions to ascertain any areas of concern;
17. To look into the reasons for substantial defaults in payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors; 18. To review functioning of Whistle Blower Mechanism;

19. Approval for appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate;
20. To review utilization of loans and/ or advances from/ investment by the Holding Company into the Subsidiary Company exceeding ` 100 crore or 10% of asset size of the Subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its Shareholders.
22. Review compliance with provisions of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and verify that, systems for Internal Controls are adequate and operating effectively.
23. Discharging any other task/responsibility stipulated by the Board of Directors/ under applicable laws. The Audit Committee also mandatorily reviews the following information:
 1. Management discussion and analysis of financial condition and results of operations;
 2. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 3. Internal Audit Reports relating to internal control weaknesses;
 4. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
 5. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

NOMINATION & REMUNERATION COMMITTEE

The 'Terms of Reference' of the Nomination & Remuneration Committee inter-alia includes the following:

1. To identify persons who are qualified to become Directors, Key Managerial Personnel and who may be appointed in the Senior Management in accordance with the criteria laid down, recommend to the Board their appointments and removal and, to carry out evaluation of every Director's performance.
2. To 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 Directors, Key Managerial Personnel, Senior Management and other employees;
3. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may;
 - a. use the services of external agencies, if required;
 - b. consider candidates from a wide range of background, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
4. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors and its Committees ;
5. Devising a policy on diversity of the Board of Directors;
6. To identify persons who are qualified to become Directors and who may be appointed in the Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
7. 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;
8. To ensure –

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of 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:
- 9. To establish and review annually Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
 - 10. Oversight of Performance v/s. Target Appraisal.
 - 11. Overview of Organisation HR Philosophy & Budget, long term HR Strategy, Talent Management Principles etc.
 - 12. Overview of Organisation Design Philosophy.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The role of CSR Committee is as under:

- (a) Reporting to the Board and providing oversight and guidance on CSR performance and monitoring compliance with the CSR Policy, commitments and applicable CSR provisions.
- (b) Formulating and recommending to the Board an Annual Action Plan which includes the modalities of utilisation of CSR funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment, if applicable, for the projects undertaken by the Company.
- (c) Recommending any alteration in the Annual Action Plan at any time during the year and updates, if any, required to the CSR Policy.
- (d) Determining the overall scope of, providing inputs on, and recommending adoption of the CSR Report to the Board and reviewing the effectiveness of the CSR Policy and activities included in the CSR Policy.
- (e) Monitoring and reviewing the performance and impact of the CSR programmes, providing inputs and course corrections, if required and satisfying itself that the CSR funds so disbursed have been utilized for the purposes and in the manner as approved by it.
- (f) Providing guidelines for common understanding and ensuring adherence of ESG & following Principles of Business Responsibility and Sustainability Report (BRSR), enshrined in SEBI Regulations, derived from the National Guidelines on Responsible Business Conduct (NGRBC) and as detailed hereunder:

Principle 1: Businesses should conduct and govern themselves with integrity, and with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should respect & promote the well-being of all employees; including those in value chain.

- Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Principle 5: Businesses should respect and promote human rights. Principle 6: Businesses should respect, protect, and make efforts to restore the environment.
- Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a transparent & responsible manner.
- Principle 8: Businesses should promote inclusive growth and equitable development.
- Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(g) Ensuring that the Company adopts responsible business practices in line with its Environmental, Social and Governance (ESG) responsibilities.

(h) Ensuring ethically driven business process that is committed to the values, aimed at driving the Group's credo of Connecting People, Improving Lives which focuses on meeting three key commitments;

- Clean operations for climate protection
- Great Company to work for all
- Highly trusted Company

In addition to the aforesaid 3 commitments, to create lasting impact in the communities; inculcating the aforesaid principles in the Company's Go Programs viz;

- GoGreen (environmental protection)
- GoHelp (disaster management)
- GoTeach (championing education)

RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee is as under:

1. To formulate a detailed “Risk Management Policy” which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business Continuity Plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
4. To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.