



## ASHOKA BUILDCON LIMITED

### AUDIT COMMITTEE

#### Composition

The Company has an Audit Committee which presently comprises the following Directors:

Mr. Gyanchand Daga	Chairman
Mr. Michael Pinto	Member
Mr. Sharad Abhyankar	Member &
Mr. Satish Parakh	Member

A majority of the members of the committee are Non-Executive Independent Directors. 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.

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on September 30, 2014, have approved new terms of reference for the Audit Committee and thereupon the revised terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Clause 49 (III)(C) of the Listing Agreement.

#### **The Terms of Reference of the Audit Committee include the following;**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and show true and fair view.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor, Cost Auditor, Secretarial Auditor and the Internal Auditors and the fixation of remuneration of the auditors.
3. To review and monitor the independence and performance of the Auditors and to review effectiveness of audit process periodically preferably bi-annually.
4. Reviewing, with the management, the annual financial statements 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 pursuance of the provisions of the section 134(3)(c) 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 / Observations / adverse Remarks in the audit report by Statutory Auditors, Cost Auditors & Secretarial Auditors and its reply to be covered in the Directors' Report.
  - h. Evaluation of internal financial controls and risk management systems;
  - i. Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
  - j. 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;
  - k. Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
  - l. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
  - m. To review the functioning of the Whistle Blower mechanism / Vigil mechanism.
  - n. 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;
  - o. Carrying out any other functions as specified in the terms of reference, as amended from time to time.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing the adequacy of internal audit function, including the Scope of Internal Audit, periodicity / frequency of internal audit, Reporting by internal auditors, discussion on the observations made on audit with Management. To discuss with internal auditors any significant findings and follow up there on.

7. 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. Further to evaluate Internal Financial control and risk management systems.
8. 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.
9. Approval and subsequent modifications, if any, of the related party transactions (RPTs) with the Company.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Company's Policy on Related Party Transactions.

Explanation (ii): The term "related party" shall have the same meaning as defined under the Companies Act, 2013.

10. Scrutiny of Inter corporate Loans and Investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Further the Audit Committee shall mandatorily review:
  - Management discussion and analysis of financial condition and results of operations
  - Statement of significant related party transactions (as defined by the audit committee) submitted by management.
  - Management letters/letters of internal control weakness issued by the statutory auditors
  - Internal audit reports relating to internal control weakness
  - The appointment, removal and terms of remuneration of the Internal Auditor.

The Audit committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall obtain professional advice from external sources and have full access to information contained in the records of the Company.