

**GEECEE FINCAP LIMITED**  
**TERMS OF REFERENCE FOR AUDIT COMMITTEE**

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Pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder the Board of Directors shall lay down terms of reference for Audit Committee and accordingly the Board of Directors had at their meeting held on 18<sup>th</sup> May, 2017 had framed the same which was later reviewed by the Board.

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**AUTHORITY**

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The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers it to be necessary
- To have full access to information contained in the records of the Company

**COMPOSITION**

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- The Audit Committee shall have minimum three members, all being Non-Executive Directors, of which the majority shall be Independent Directors.
- All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- The members of the Audit Committee shall elect a Chairman from amongst themselves, who shall necessarily be an Independent Director.

**MEETINGS**

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The Audit Committee shall meet at such times as may be required for the matters as prescribed under Section 177 of the Companies Act, 2013 and rules made thereunder.

- One meeting shall be held before the annual financial statements and auditors report are presented to the Board.
- The quorum for Meetings of the Audit Committee shall be either two members or one-third of the members of the Audit Committee, whichever is higher including one Independent Director present at the meeting.
- The Finance Director, Internal Auditor and a Representative of the External Auditor

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should be requested to be present as invitees for the meetings of the Audit Committee.

- The Audit Committee may invite such of the executives, as it considers appropriate (particularly, the head of the finance function), to be present at the meetings of the Committee. Such persons shall not have the right to vote.

On occasions the Audit Committee may also meet without the presence of any executive of the Company.

- The Auditors of the Company shall have a right to be heard at the meetings of the Audit Committee when it considers the Auditors' Report but they shall not have the right to vote.

**RESPONSIBILITIES**

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The Audit Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the annual financial statements before submission to the Board and recommend the same to the Board for its consideration and also oversee compliance of internal control systems. In addition, to the responsibilities of the Audit Committee include the following:

**Financial Statements**

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with the Management the annual financial statements before submission to the Board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of section 134 of the Companies Act, 2013
  - Any changes in accounting policies and practices and reasons for the same
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in the draft audit report
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with Accounting Standards
  - Compliance with the requirements of the stock exchanges, if applicable, and legal requirements concerning financial statements
  - Scrutiny of inter-corporate loans and investments
  - Any related party transactions as per Accounting Standard 18 and the Companies Act, 2013
  - Reviewing and evaluating the Company's financial and risk management policies and risk management systems.

**Review and Examination of Information**

- Internal audit reports relating to internal control weaknesses.
- Financial statements and draft auditors' report thereon, including the draft limited

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review report of the auditors.

- Management discussion and analysis of financial condition and results of operations.
- Reports relating to compliance with laws and to risk management.
- Management letters/letters of internal control weaknesses issued by the Statutory /Internal Auditors.
- Evaluation of the internal financial controls, accounting policies, etc. with the management, external and internal auditors, and to review the adequacy of internal control systems
- Discussing with the statutory auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
- Reviewing and monitoring the auditor's independence and performance and the effectiveness of the audit process

**Related Party Transactions**

Transactions with Related Parties or any subsequent modification thereto shall be dealt with by the Audit Committee, as under:

- All Related Party Transactions would require prior approval of the Audit Committee.

The Audit Committee will have the discretion to:

- grant omnibus approval for Related Party Transactions
- recommend / refer any matter relating to Related Party Transaction to the Board for approval.

**Others**

- Monitoring the end use of funds raised through public offers, rights issues, preferential issues, etc. and related matters on a quarterly basis / annual basis and making appropriate recommendation to the Board.
- Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary and the appointment of Registered Valuers.

**Reporting Responsibilities**

- The Directors' Report shall disclose the composition of the Audit Committee, names of the members and the Chairperson of the Audit Committee and brief details of meetings and attendance at Audit Committee Meetings.
- The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.
- If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Directors' Report together with the reasons therefor.

**OTHER RESPONSIBILITIES**

- Performing other activities as may be requested by the Board of Directors.
- Carrying out additional functions as contained in the listing regulations or other regulatory requirements applicable to the Company or in the terms of reference of the Audit

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Committee.

- Instituting and overseeing special investigations as needed.

**REVIEW OF POLICY**

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- The Policy shall be reviewed by the members of the Board at such intervals as found appropriate.