

# **INNOVATORS FAÇADE SYSTEMS LIMITED**

## **AUDIT COMMITTEE POLICY**

### **1. NATURE OF THE AUDIT COMMITTEE**

Audit Committee (“Committee”) is a Committee constituted by the Board of Directors (“Board”) of Innovators Façade Systems Limited (“The Company”) out of its members in view of Section 177 of the Companies Act, 2013 (“Act”) and rules notified thereunder.

### **2. COMPOSITION**

- 2.1 The Committee shall have minimum three directors as members with independent directors forming a majority.
- 2.2 The majority of members of the Committee including its chairman shall have the ability to read and understand the financial statement.
- 2.3 The chairman of the Committee will be the person appointed as chairman by the Board.
- 2.4 The chief financial officer, head of internal audit, representative/s of the statutory auditor/s or such other person as may be decided by the Committee may be present as invitees for the meetings of the Committee.

### **3. MEETINGS OF COMMITTEE**

- 3.1 The Committee shall meet in accordance with provisions of Act. The quorum shall be either two members or one third of the members of the Committee whichever is greater.
- 3.2 All matters will be determined by a majority vote of the members present.
- 3.3 The Committee may adopt procedural rules for its meetings and the conduct of its business, not inconsistent with this charter, the Company’s articles of association and other applicable laws.
- 3.4 The Committee shall be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. Adequate provision shall be made for notice to members of all meetings.
- 3.5 The Committee shall meet periodically as and when chairman of the Committee deems it and proper in accordance with the provisions of the Act.

3.6 The annual Committee agenda and individual meeting agendas are developed by the chairman of the Committee and the company secretary with input from appropriate members of management and staff.

3.7 When present, the chairman of the Committee shall preside over the Committee meetings. In his absence, Committee members present may appoint a chairman from themselves.

3.8 The chairman of the Committee shall report to the Board on Committee meetings and actions, and the company secretary shall keep minutes of all Committee meetings, which are distributed to Committee members for review and approval.

#### **4. POWERS OF AUDIT COMMITTEE**

The Committee shall have authority to examine any matter within its terms of reference and for this purpose shall have:

- (a) Full access to information contained in the records of the Company.
- (b) Power to obtain professional advice from external sources.

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities. In discharging its role, the Committee is empowered to examine any matter brought to its attention by the Board.

#### **5. ROLE OF COMMITTEE**

The role of the Committee shall inter-alia include the following:

- (a) Recommending to the Board, the appointment, re-appointment including the filling of a casual vacancy and, if required, the replacement or removal of the auditor/s, remuneration and terms of appointment of auditors;
- (b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (c) Examination of the company's financial statement and the auditors' report;
- (d) Approval including omnibus approval or any subsequent modification for related party transactions proposed to be entered into by the Company;
- (e) Scrutiny of inter-corporate loans and investments;
- (f) Valuation of undertaking or assets of the Company, wherever it is necessary;
- (g) Evaluation of internal financial controls and risk management systems;

- (h) Monitoring the end use of funds raised through public offers and related matters;
- (i) Reviewing, with the management, the financial statements before submission to the Board for approval;
- (j) Reviewing, with the management, performance of auditors and internal auditors.
- (k) Carrying out such other functions as delegated by the Board.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Section 188 of Companies Act, 2013 read with Accounting Standard 18 - Related Party Transactions, issued by The Institute of Chartered Accountants of India.

## **6. CHANGES IN THE GOVERNING LAWS**

Any changes in the governing laws such as the Act, the Accounting Standards and the other laws and the rules, notifications, and guidelines, if any, issued/framed thereunder, and applicable to the Company and its operations which has an effect of enlarging the scope of the role of the Committee shall automatically be deemed to enlarge the role of the Committee provided herein above.