

CHARTER FOR THE AUDIT COMMITTEE OF ULTRACAB INDIA LIMITED

INTRODUCTION:

The composition, quorum, powers, role, review of information, scope, etc., of the Audit Committee is in accordance with provisions of Section 177 of the Companies Act, 2013 and Clause 49 III of the Listing Agreement. The Audit Committee acts as a link between the Auditors and the Board of Directors. The Audit Committee inter-alia keeps checks on the adequacy of the internal control systems, financial disclosures and statutory compliances.

A. OBJECTIVES:

The management of the Company has the overall responsibility to prepare financial statements in accordance with generally accepted accounting principles. The Company's Independent Auditors has the responsibility to audit those financial statements. The Committee's responsibility is one of overseeing the financial information. However, the Audit Committee has no obligation to provide any expert or other special assurance as to the Company's financial statements.

The Audit Committee is constituted by the Board with intent to assist the later in its oversight of-

1. The quality and integrity of the accounting, auditing and reporting practices of the Company;
2. The integrity of the financial statements, the appointment, independence, performance and remuneration of the Statutory and Internal Auditors;
3. The independent auditor's qualifications and Independence;
4. The performance of the Company's internal audit function and independent auditors; and
5. The compliance with the legal and regulatory requirements.

B. MEMBERSHIP AND COMPOSITION:

The Audit Committee comprises of Independent Directors, all of them shall meet all applicable legal requirements with respect to independence, being financially literate and having accounts and financial management knowledge. At least one member will have accounting or related financial management expertise, as defined by the rules and regulations of Securities and Exchange Commission. The Chairman of the Audit Committee shall be an independent director. The Company Secretary will act as the secretary to the committee. A member will be considered to have accounting or related financial management expertise. The members of the Committee will be appointed by the Board of Directors.

Composition: All the Members of the Audit Committee are Independent. Mr. Bipinchandra M. Sangani, Chairman of Audit Committee is a person with ability to read and understand the

financial statements. Mr. Niteshbhai Vaghasiya and Mr. Prashant Sawant are the members of the Audit Committee. The representatives of the Statutory Auditors and Internal Auditors remain present at the Meetings. CS Mayur Gangani, Company Secretary acts as Secretary to the Committee Meetings. The Audit Committee invites such of the executives, professionals and other persons, as it deem necessary for its functioning.

C. INDEPENDENCE:

Each member of the committee shall satisfy the independence, experience and other requirements of, or as defined by the companies Act, 2013 and in compliance with listing agreement with the stock exchanges where the shares of the Company are listed.

D. POWERS:

In discharging its responsibilities, the Committee shall have the following powers:

1. Unrestricted access to the Company's books and records.
2. To seek information from any employee of the Company including the management of the Company and its external advisors.
3. To investigate any activity within its terms of reference.
4. To 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 and related issues with the internal and statutory auditors and the management of the company.
5. To obtain the advice of lawyers, accountants or other professionals / consultants at the Committee's sole discretion. The Committee shall have sole authority to approve related fees and retention terms. Any communications between the Committee and the external legal counsel in the course of obtaining legal advice will be considered as attorney-client (company) privileged communication and the Committee shall take all necessary steps to preserve the privileged nature of those communications.
6. To have adequate resources and other authority necessary to discharge its duties and responsibilities
7. To obtain any information from any employee of the Company to perform its duties effectively and have direct access to any employee of the Company.

The Committee shall act on the basis of simple majority.

E. ROLE / RESPONSIBILITIES AND DUTIES OF AUDIT COMMITTEE:

The following are the role/ responsibilities and duties of the Committee. The Committee may diverge from these responsibilities and may assume such other responsibilities as it deems necessary or appropriate in carrying out its functions.

The responsibilities and duties of the Committee are as follows;

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. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.
3. Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
4. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular referenceto:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' 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 the management.
 - d. Significant adjustments made in financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions.
 - g. Qualifications in 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 utilised 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. Reviewing and monitoring 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, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of 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, any significant findings and follow-up thereon.
- 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, if any, in the payment to 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 the CFO (i.e. the whole-time Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate.
- 20.** Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- 21.** Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- 22.** Reviewing the following information
 - a. The Management Discussion and Analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of internal auditors.
- 23.** To call for 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 to discuss any related issue with the internal and statutory auditors and the management of the Company.

In addition to the above responsibilities, the Committee will undertake such other duties as the Board of Directors delegates to it, and such other matters as may be required to be reviewed under Corporate Governance Guidelines and any statutory or regulatory requirements, and will

report, at least annually, to the Board regarding the Committee's examinations and recommendations of such issues.

F. MEETINGS:

1. FREQUENCY OF MEETINGS:

The Audit Committee will meet at least four times in a year for quarterly meetings and additional meetings for specific review of Internal Controls/ Review of Strategic and Operating Plan for Internal Audit, Enterprise Risk Management, etc. The Committee may meet in person or through other methods like video conferencing, audio conferencing etc as may be permitted by law from time to time.

Under normal circumstances, meetings of the Committee shall be attended by the CFO, the head of Statutory Audit, Internal Audit and the Company Secretary within the Company. The Committee may at its discretion require the attendance of such other persons from within the Company at Committee meetings.

2. QUORUM:

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 .A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

G. REPORTS:

The Committee shall report to the Board at its next Board meeting, which will be incorporated as a part of the minutes of the Board of Directors meeting.

H. CIRCULAR RESOLUTION:

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a meeting of the Committee members.

I. DELEGATION OF AUTHORITY:

The committee may delegate to one or more designated members of the committee the authority to pre-approve audit and permissible non-audit services, provided such preapproval decision is presented to the full audit committee at its scheduled meetings.

J. DISCLOSURE REQUIREMENTS:

The committee charter should be published on the Company's website:

- The Management has reviewed the audited financial statements with the committee, including a discussion of the quality of the accounting principles as applied, and significant judgments affecting the Company's financial statements.
- The independent auditors have discussed with the committee their judgments of the quality of those principles as applied and judgments referred to above under the circumstances.
- The members of the committee have discussed among themselves, without the Management or the independent auditors being present, the information disclosed to the committee as described above.
- The committee, in reliance on the review and discussions conducted with the Management and the independent auditors pursuant to the requirements above, believes that the Company's financial statements are fairly presented in conformity with applicable Accounting Standards and other laws in all material respects.
- The committee has satisfied its responsibilities in compliance with its charter. The committee shall report to shareholders as required by applicable law.

K. MINUTES:

The Company Secretary will maintain minutes of the meetings of the Committee, which will be submitted to the Board for adoption and record.

