

# Jardine Henderson Ltd.

CIN: L51909WB1947PLC014515

4, Dr. Rajendra Prasad Sarani, Kolkata-700001

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## **TERMS OF REFERENCE OF AUDIT COMMITTEE**

### **1. Objectives:**

To provide a link between the Board and its external auditors, and to review the integrity of financial information and the effectiveness of the Company's internal controls, including the Company's internal audit function.

### **2. Composition:**

The Audit Committee is a committee of the members of the Board of Directors of Jardine Henderson Limited and it shall have the following composition:

- a. The Committee shall consist of minimum of three members;
- b. The Committee shall always consist of minimum number of independent directors as prescribed under the Companies Act, 2013;
- c. The majority of members of the Committee including its Chairperson shall be persons with ability to read and understand the financial statements.
- d. The Company Secretary shall act as the secretary to the committee.

### **3. Meetings of the Audit Committee**

- a. The Committee shall meet at least four times in a year;
- b. The quorum shall be either two members or one third of the members of the audit committee whichever is greater;
- c. The Committee shall meet periodically with the management, the Internal Auditors and the External Auditors, jointly as well as in separate executive sessions, as deemed fit by it;
- d. The Minutes of the meetings of the Committee shall be kept in the custody of the Company Secretary or such other person as may be authorized by Secretary to the Committee.

#### **4. Voting**

- a. All decisions at the Committee meetings will be decided by a majority of votes of members present and voting.
- b. Each member shall have one vote. In case of equality of votes on a matter put before the Committee, the Chairman of the Committee shall have the casting vote.
- c. A resolution in writing signed by a majority of the Committee members shall be deemed as valid and effectual as if it had been passed at a meeting of the committee. The expression "in writing" and "signed" shall include approval by any such member by fax or electronic mail or any other form of electronic communication approved by the Committee.

#### **5. Role and responsibilities**

The Audit Committee shall have the following roles and responsibilities:

- a. To review and make recommendations for appointment and removal, remuneration and terms of appointment of Internal and external auditors of the company;
- b. To review and monitor the auditors' independence and performance, and effectiveness of internal and external audit process;
- c. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit and to approve the internal audit plans;
- d. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- e. Reviewing the quarterly, half-yearly and annual financial statements before submission to the Board, focusing primarily on --
  - Any changes in accounting policies and practices and the reasons for the same;
  - Major accounting entries involving estimates based on exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with legal requirements concerning financial statements;
  - Matters falling under the terms of reference of the committee and to be included under 'Directors' Responsibility statement' of the Board's report;
  - Any related party transactions.

- f. Examination of the internal and external auditors' reports, qualifications/reservations/, adverse remarks/observations of the auditors and discuss any related issues with the internal or statutory auditors and the management of the company;
  - g. Reviewing with the management, external and internal auditors, the adequacy of internal control systems, hold discussions with the auditors periodically about internal control systems, call for the auditors comments, and also review compliance of internal control systems;
  - h. Discussion with internal auditors on any significant findings and follow up thereon;
  - i. Reviewing the findings of auditors where there is fraud or suspected fraud or irregularity or a failure of internal control systems of a material nature, replying to the letters by auditors on matters of frauds and reporting the matter to the Board;
  - j. Reviewing of Company's financial and risk management policies and risk management systems;
  - k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - l. To approve and make suitable recommendations to the Board, where necessary with regard to the transactions of the company with related parties and any subsequent modifications therein'.
  - m. To conduct scrutiny of inter-corporate loans and investments;
  - n. To approve valuation of undertakings or assets of the company, or net worth of a company or its liabilities under the provision of the Companies Act wherever it is necessary by such valuer as may be deemed fit;
  - o. To monitor the end use of funds raised through public offers and related matters;
  - p. To oversee establishment of a vigil mechanism for directors and employees, to examine the reports under the vigil mechanism and to recommend suitable action against complainants including reprimand in case of repeated frivolous complaints;
  - q. To approve provision of any other services by auditors apart from audit, except those which are prohibited and advice on the remuneration to be paid for such services ;
  - r. To review statement of significant related party transactions, submitted by management;
- To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

## **6. Powers**

To perform its functions outlined above, the Committee shall have the following powers:

- a. To authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Audit Committee or any advisor engaged by the Audit Committee.
- b. To get access to information contained in the records of the Company and to seek information from any employee of the Company
- c. To invite to its meetings any member of management, other personnel of the Company, any other member of the Board of Directors, or any third-parties with relevant expertise, as it deems, in its sole discretion, appropriate to carry out its responsibilities.
- d. To engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities.

## **7. Reporting:**

The Audit Committee shall report regularly to the Board of Directors.

## **8. Review of Terms of Reference**

These terms of reference may be subject to review by the Board from time to time.

## **9. Amendment / Modification**

Based on changing requirements of the target beneficiaries and make such modification(s), as may be necessary, the Committee may amend or modify this Policy from time to time, subject to approval of the Board.

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