

AUDIT COMMITTEE CHARTER TIRUPATI MEDICARE LIMITED

PURPOSE

1. To ensure the preservation of good financial practices throughout the Company.
2. To monitor that internal controls are in force to ensure the integrity of the financial information reported to the shareholders.
3. To provide by way of regular meetings, a line of communication between the Board and the external and internal auditors.

POWERS OF THE COMMITTEE

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers it necessary.

TERMS OF REFERENCE:

1. Oversight of company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing with the management and auditors, the quarterly financial statements and the annual financial statements with management and auditors before submission to the Board, focusing particularly on: -
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - ii. Changes, if any, in accounting policies and practices and their consistency both on a year basis and across the Group and the appropriateness of those policies having regard to Indian GAAP.

- iii. Major judgmental areas.
 - iv. Significant adjustments resulting from the audit.
 - v. Compliance with listing and other legal requirements relating to financial statements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - vi. Review of any related party transactions on a periodical basis.
 - vii. Qualifications in the draft audit report.
 - viii. Compliance with accounting standards; and
 - ix. Management Discussion & Analysis and Result of Operations statement.
 - x. Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - xi. Internal audit reports relating to internal control weaknesses.
- 3. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 - 4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors and recommendation.
 - 5. Recommending the appointment and remuneration of the cost auditor to the Board.
 - 6. Recommending the appointment and remuneration of the Secretarial auditor to the Board.
 - 7. Consider the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the Head of Group Internal Audit / the outsourced Internal Audit Firm (who has direct access to the Chairman of the Committee), and any questions of their resignation or dismissal, and to consider and recommend to the Board the remuneration of the external auditors.

8. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
9. Approval or any subsequent modification of transactions of the company with related parties.
10. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the conditions as stipulated in the statute from time to time.
11. Scrutiny of inter-corporate loans and investments.
12. Valuation of undertakings or assets of the company, wherever it is necessary.
13. Evaluation of internal financial controls and risk management systems
14. 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.
15. Review the relationship with the external auditors; including consideration of audit fees as well as any other services and fees in respect of non-audit activities to ensure that a balance of objectivity and value for money is obtained.
16. Discuss with external auditor before the audit commences the nature and scope of audit.
17. Post audit discussions with the external auditors regarding any other matters to ascertain any areas of concern that the external auditors may wish to discuss.
18. Review the external auditor's management letters and management's response.
19. Review the annual audit programme, ensure co-ordination between the internal and external auditors and that the internal audit function has sufficient freedom and resource to carry out its role.
20. Review any reports released by the internal auditors and consider any significant findings of internal investigations into any material failures of internal controls, irregularities and frauds and to obtain management's responses and to convey the results to the board

21. Review the Company's statement on internal accounting and financial control systems prior to endorsement by the Board and in particular to review:
- i. The procedures for identifying business risks (including financial risks) and controlling their financial impact on the Company
 - ii. The Company's policies for preventing or detecting fraud
 - iii. The Company's policies for ensuring that it complies with relevant regulatory and legal requirements
 - iv. The operational effectiveness of the policies and procedures
 - v. The Company's internal financial and non-financial reporting and internal control framework (including Treasury)
22. To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
23. To review the functioning of the Whistle Blower Mechanism in case the same is existing.
24. When money is raised through public / rights / preferential issue etc., to ensure that the management discloses the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc.) on a quarterly basis
25. The Chairman of the Audit Committee shall be present at the Annual General Meeting to answer shareholder queries on matters within the Committee's area of responsibility.

SUBSIDIARY COMPANY

The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary companies.

AUTHORITY

The Committee is authorized by the Board to oversee any investigation of activities within its terms of reference and act as a court of last resort. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee may obtain outside legal or other independent professional advice and will secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

MEETINGS

The Committee should meet, at least four times in a year and not more than four months shall lapse between two meetings, including before the announcement of the Company's

preliminary and interim results and to consider whether or not to recommend the reappointment of the external auditors at the next Annual General Meeting.

The Committee will meet with the Board at least once a year to discuss such matters as the annual report and the relationship with the external auditors.

Additional meetings may be called by the Chairman of the Committee, or may be requested by the Chairman, the Managing Director or the Company's external auditors.

The quorum for any meeting of the Audit Committee 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 the absence of the Committee Chairman, the remaining members present shall elect one of the members to chair the meeting bearing in mind legal and regulatory requirements.

The committee shall periodically meet in private with the external and internal auditors.

Director may participate through Electronic Mode in a Meeting, unless the Act or any other law specifically does not allow such participation through Electronic Mode in respect of any item of business.

Directors shall not participate through Electronic Mode in the discussion on certain restricted items, unless expressly permitted by the Chairman.

Such restricted items of business include approval of the annual financial statement, Board's report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover. Similarly, participation in the discussion through Electronic Mode shall not be allowed in Meetings of the Audit Committee for consideration of annual financial statement including consolidated financial statement, if any, to be approved by the Board, unless expressly permitted by the Chairman.

Directors participating through Electronic Mode in a Meeting shall be counted for the purpose of Quorum, unless they are to be excluded for any items of business under the provisions of the Act or any other law.

Any Director participating through Electronic Mode in respect of restricted items with the express permission of Chairman shall however, neither be entitled to vote nor be counted for the purpose of Quorum in respect of such restricted items.

COMPOSITION

The Committee members (including Alternate) and Chairman are appointed by the Board from the Directors, in compliance with the Shareholders Agreement and legal and regulatory requirements.

All members shall be financially literate and at least one member, preferably the Chairman, shall have expertise in accounting or financial management.

ANNUAL EVALUATION

The Annual performance evaluation of the Committee shall be done by the Committee and reported to the Board.

REPORTING PROCEDURES

The Secretary/Member of the committee shall circulate the minutes of meetings of the Committee to all members of the Committee, following its approval by the Chairman of the Committee within 15 days. The Members shall provide comments/suggestions within 7 days thereafter. The secretary shall ensure that minutes are recorded within 30 days from the date of the meeting. The certified copy of the minutes may be circulated to the Directors by the Company Secretary within 15 days after it is signed by the Chairman. Any Director may obtain copies of the Committee's agenda and minutes with the agreement of the Chairman of the Committee.

Approved by: Board of Directors on September 30, 2019